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THE LEAGUE'S BUSINESS

Conference of Citizen's Councils in Kansas City.—Members of citizens' councils in the middle west and those interested in forming such councils are cordially invited to attend a citizens' councils conference at the Baltimore Hotel in Kansas City, Missouri, the afternoon of May 25.

The Committee on Citizens' Councils is meeting as an associate group with the National Conference of Social Work, which will hold its convention the week of May 20-26. There will be a citizens' councils booth at the Consultation Center at Ararat Temple throughout the week.

Governor Landon, of Kansas, will speak on constructive economy in state government at the Friday session. Carl H. Milam, secretary of the American Library Association, and Lee F. Hanmer, director of the Department of Recreation of the Russell Sage Foundation, will lead discussion of the work of citizens' councils. Howard P. Jones, director of the Committee on Citizens' Councils, will be chairman.

* * *

Western Conference on Government.—The Western Conference on Government, held March 28-30 at the University of California, Berkeley, was an outstanding success. Approximately seven hundred persons attended the conference. It is interesting and significant that nearly all the members of the National Municipal League on the west coast were present.

* * *

Radio Program.—We list below the last six broadcasts in Series VII of our radio programs on "Reviving Local Government."

May 15—"Schools for Municipal Officials." J. Boyd Thacher, Mayor of Albany, N. Y.; Albert H. Hall, Director, Bureau of Training, New York Conference of Mayors; Morton L. Wallerstein, Director, Virginia League of Municipalities.

May 22—"News From the South." J. Fulmer Bright, Mayor of Richmond, Va.; William B. Harrison, Former Mayor of Louisville, Ky.

May 29—"The National Administration and Local Reorganization." George F. Milton, President and Editor, *The Chattanooga News*; Arnold Bennett Hall, Director, Institute for Governmental Research, Brookings Institution.

June 5—"The Schools in Local Revival." George F. Zook, United States Commissioner of Education; C. R. Mann, Director, American Council on Education.

June 12—"The Voter and Local Revival." Miss Katharine Ludington, Chairman Finance Committee, National League of Women Voters; Frank Kent, Vice-President, *The Baltimore Sun*.

June 19—"What Are the Prospects?" Thomas H. Reed, Chairman, Committee on Citizens' Councils for Constructive Economy; Frank H. Morse, Lehman Bros., New York; Howard P. Jones, Secretary, National Municipal League.

* * *

International Union of Local Authorities.—We note with great interest that the International Union of Local Authorities will hold its conference at Lyons from July 22 to 29. This conference is under the patronage of the French Government (Home Office and Ministry of Public Education and Fine Arts) and of the Municipality of Lyons and is organized with the coöperation of the Union des Villes et Communes de France. Two important questions in the field of local government will be discussed, the teaching of municipal government as a science and the collection and treatment of home refuse.

HOWARD P. JONES, *Secretary*.

Too Efficient Government

IN A check-up of the effectiveness of city manager government in a western city recently, the writer interviewed newspaper editors and reporters, leading attorneys, other professional and business men, policemen on their beats, taxi drivers, news-stand operators, and restaurant and hotel men. There was but one criticism of the administration. It was "*too efficient!*"

The incident tells its own story and carries its own implications to hundreds of municipalities in the United States where hard pressed taxpayers are finding only too difficult the job of forcing local political machines to deliver a dollar's worth of service for a dollar's worth of taxes.

It also carries an important warning to city managers who are doing a business-like job, lest their governments become so efficient as to lose the human touch. Little did Lord Bryce or the reformers of the nineties think that within the lifetimes of some of them might be witnessed the beginning of a transformation which would necessitate the warning, "Don't be too efficient." Yet it is important for government officials, interested in doing an effective piece of work, to remember that the public which they are serving is an aggregate of individuals and that the unit in this

mass is a most human sort of creature.

In New York City the other day a policeman arrested a mother and small boy because the boy had torn up a bit of turf in Central Park with his toy hoe. Direct result: they both spent the major part of a day in jail. Indirect result: everybody in town resented the too literal enforcement of the law. The policeman had been efficient. He had forgotten to be human.

In justice to the manager city where the criticism referred to at the beginning of this article was voiced, the rest of the conversation should be related.

"You know, we folks out here like to take our time about things," the critic continued. "In the old days we used to be able to drop over to the city hall, put our feet up on the desk, smoke a cigar, and pass the time of day. We can't do that any more. They're all as busy down there as if they were running a factory."

He didn't mean to, but he paid that government a remarkable tribute. He had forgotten for the moment that he had been paying a high premium on his tax bill for the privilege of putting his feet on a city hall desk and smoking a political stogy. His taxes had come down. He no longer was buying tobacco smoke and idle conversation!

66,000 Stenographers

THE United States Government recently held civil service examinations for the position of stenographer. Dr. Leonard D. White, recently appointed civil service commissioner, who perhaps has made more intensive studies of public personnel than any other man, reports that 66,000 persons took that examination!

The labor of checking over 66,000 examination papers is enough to appall even the most efficient of college professors. It will, of course, take months to grade these papers, classify them, and turn the results over to the federal service. It costs a good deal to hold the examinations alone without considering the labor involved in making them of some practical value. All this, of course, in the effort to locate a few thousand efficient stenographers who may be within call when a hundred frenzied "new dealers" need them.

Probably not more than 2 per cent will actually obtain jobs with the federal service. Yet 66,000 had to be examined to locate that 2 per cent! This seems to involve a lot of labor, yet the results may be worth it.

One of the ridiculous aspects of the personnel problem, however, becomes apparent if we remember that practi-

cally every branch and unit of government insists upon doing its own examining. Professor White suggests that, once a standard has been set for a stenographic position, there seems no reason why one unit of government cannot do the examining for all the others. If the federal government is holding examinations in New York City, for example, why should New York City go through the same motions and examine the same people three months later? Or vice versa.

Certainly there exists great opportunity here for coöperation and elimination of useless expense. Even assuming the qualifications should be slightly different—that New York City, for instance, insisted upon brunettes, and Newark would have none but blondes—the problem of classification would not be insoluble. But given Blonde Stenographer B, living in Newark, N. J., it seems rather silly that she should spend government time and money, not to speak of her own time and money, taking first, a federal examination, second, a New York State examination, third, a New York City examination, fourth, a New Jersey examination, fifth, a Newark examination, and so on ad infinitum and ad nauseum. Of course, it does help solve the problem of her leisure time!

New Department on County Government

With this issue the NATIONAL MUNICIPAL REVIEW launches a new department on county government. The last stronghold of the spoils politician, county government is at last beginning to yield to the pressure of the modern reformers who believe that the public business can be and should be as efficient as private business and that a properly executed budget system is far more important to democracy than a whole salvo of slaps on the back. Four

counties—two in Virginia and two in California—are now operating under fairly satisfactory manager plans and a dozen or so others have experimented with the possibilities for greater efficiency that come with centralization of authority and responsibility. Critical scrutiny of county government is one result of the depression in at least half the states of the union.

It is probable that as much will be heard of the county manager plan in

the next two decades as has been heard of the city manager plan in the past two decades. Certainly county government must be made efficient if it is to survive. REVIEW readers will be interested in the more detailed and systematic reporting of progress in this field that will result from the establishment of the new department. It will be under the editorship of Dr. Paul W. Wager, pro-

fessor of rural sociology at the University of North Carolina, author of "County Government in North Carolina", and one of the leading authorities in this field whose name is well known to REVIEW readers. Correspondents in all the states are being appointed. It is hoped this new department will render real service in stimulating progress in county government.

The Western Conference on Government

IN THE professionalization of the public service and the increased prestige value of working for the government lies the real hope of maintaining the gains so far made in the improvement of local government. Citizen action is necessary to bring this about—citizen organization is essential to protect it in its early stages. Once fully developed, like a plant in its fight against weeds, it will be able to protect itself.

Tangible evidence of the progress that is being made in this direction came through the Western Conference on Government held at the University of California March 28, 29, and 30, whither nearly seven hundred citizens, public officials, and representatives of western civic organizations flocked to discuss the developing problems of an expanding public service.

The following national organizations participated in the conference in addition to the National Municipal League: American Legislators' Association, American Municipal Association, American Public Welfare Association, Bureau of Public Administration of University of California, California City Managers' Association, Governmental Research Association, International City Managers' Association, League of California

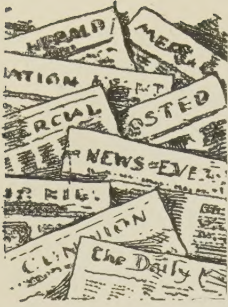
Municipalities, Municipal Finance Officers' Association, National Association of Housing Officials, Public Administration Clearing House, United States Conference of Mayors, and Western Regional Civil Service Conference.

Interest in the improvement of state and local government through reorganization and the adoption of more efficient methods of administration is at white heat in the west. In Texas, for instance, adoption by the electorate of a constitutional amendment giving counties sweeping home rule powers of reorganization has stimulated wide public interest in the possibility for constructive economy through elimination of waste in the county machinery. In California, a few conspicuous examples of well administered cities and counties are showing citizens what can be done if sufficient effort is put forth.

The program was divided between joint sessions for all the organizations participating in the conference and group sessions.

Prof. Samuel C. May, Director of the Bureau of Public Administration at the University of California was general chairman in charge of the conference.

H. P. J.



HEADLINES

"In North Carolina," a Southern educator acridly points out, "every city has its schoolhouse and its lockup. Every county has its schoolhouse and its jail. The state has its university and its penitentiary." Statistics reinforce the point in this particular state by showing that in numbers the present attendance in the state university and the state penitentiary is practically the same, each having approximately 2,600 patrons. Nevertheless, why pick on North Carolina? A New York convict recently put the case for the Empire State, "I've had a good training for crooking," he said. "Protector, Elmira, and Sing Sing. Just like grammar school, high school, and collitch. See?"

* * *

On the other hand, consider the New York Public Library's "Book Wagon", which furnishes a non-institutional but highly educative service in the outlying districts of the Bronx. This wagon, according to a recent report, travels an average of 90 miles to serve 14,879 readers weekly. It averages 21 stops, to care for a circulation of 2,000 volumes each trip.

* * *

The Book Wagon is one answer to the comment of R. L. Duffus in "Our Starving Libraries", that "The depression years have been full of irony, but they have yielded nothing more ironical than the country-wide slash in library budgets which has accompanied the equally wide spread demand for library services."

* * *

Lexington, Kentucky proudly assails the fourth year of the depression with decreases in tax assessments of 10.6%, in budget expense of 16%, in tax rates of 10.85% and in total revenue of 15%. Lexington collected 96.12% of its tax levy for 1933.

* * *

"A new type of county government under home-rule provisions for growth and development is possible and probable within a comparatively short time," says Edwin A. Cottrell of Stanford University. This would be good news indeed to the despondent citizens of many states, if only their state legislatures were let in on the glad tidings.

The city council of Evanston, Ill., unanimously declares in favor of adopting the council-manager plan and of consolidating the three school districts with the city government. Mayor Speer of Wilmington advocates adoption of the manager plan, and citizen organizations in Mount Vernon and Yonkers, New York, have inaugurated movements to install city managers.

* * *

Berkeley, Cal., again is held up to the admiration of all Britishers by C. Montague Harris, O.B.E., who last fall named Berkeley as one of the two best governed cities in the United States. Writing in the March issue of *London* he says "a personal investigation of its (Berkeley's) administration gives the impression that it can justify this claim."

* * *

In a less conscious way, English municipal authorities pay tribute to another American contribution to municipal efficiency—a very minor contribution, but a colorful one nevertheless. The Municipal Journal and Public Works Engineer of London writes glowingly of the new device of "Voice-Writing," by which municipal inspectors can dictate notes and comments to a machine while riding around on inspection tours in their automobiles. Then the records may be copied at leisure when the trip is over. To the Yankee reader the device at once reveals itself as simply the adaptation of the familiar dictaphone to automobile use—a short-cut in record making with which American inspectors have long been familiar. Nevertheless, it's always a pleasure to add to British municipal lore even in a petty detail. Opportunities are not frequent.

* * *

The same British journal complains of the difficulty of arousing the electorate to its duty. In recent elections, it says, the voting for certain county offices was as low as 5% and 10% of the qualified voters. This seems strangely American!

* * *

Two hundred and twelve American cities now have automobile police patrols, according to a recent radio broadcast by Chief Richard W. Morris of the Geneva, New York, Police Department. Of these, 68 cities have radio equipped cars through which they maintain contact with their headquarters and with the state police systems. Offsetting our advances in thief catching, Chief Morris believes, is our backwardness in crime prevention and in police training. Only twenty-nine out of 300 cities reporting have organized crime prevention work, and only 85 of the three hundred have systematic police training.

* * *

Buffalo and Erie county, New York, have inaugurated vigorous spring "Pay-Your-Taxes" campaigns.

E. M. B.

Public Bodies and the P. W. A.

The "New Deal"
creates new municipal
opportunities

HENRY M. WAITE

*Deputy Administrator, Federal Emergency
Administration of Public Works*

THE purposes behind the appropriation of the \$3,300,000,000 by Congress for public works can be summarized under two general headings: first, to put people to work, thereby relieving unemployment and putting purchasing power in the hands of those employed; and second, the construction of economically sound and socially desirable public works. While both of these general purposes were given due consideration, sometimes the first would receive major emphasis and other times, the second.

It was found that a major necessity was to put people to work quickly. This could not be accomplished by the necessarily slow process incident to loaning money on good securities to public bodies such as cities and states. Therefore, in the interests of relieving unemployment quickly, money was rapidly allotted to federal agencies which, in the main, were ready to start work without great delay. In addition to approximately \$1,380,000,000 allotted to federal agencies, there have been statutory and executive allotments, totaling over \$1,100,000,000, including such sums as \$400,000,000 to public roads and an equal sum to the CWA. The records, therefore, show that there was, up to April 4, approximately \$793,000,000 allotted to non-federal projects, including railroads and housing. Of this amount over \$434,500,000 was allotted

to states and municipalities and over \$114,000,000 to other public bodies for Public Works projects.

In the beginning there was quite a hesitancy on the part of public bodies to file applications because of the lethargy incident to depression and the rather decided public opinion against increasing debt, which meant increasing fixed charges, thus adding to the tax burden. Due, however, to the growing sentiment toward working together to pull America out of the depression and the realization of the necessity for public improvements, there was quite a general change in sentiment on the part of public bodies. Applications began to pour into the offices of the state engineers and, in turn, into Washington in increasing volume. The result was that sufficient applications had been approved in Washington by January 1, so that all remaining PWA funds were allotted. Many applications were left over, and they continued to pour in with the result that the administration at Washington sent out word early in February that no further applications would be received since there were requests for loans and grants far beyond any immediate prospect of appropriation from Congress. It was felt unfair to permit prospective applicants to go to the expense of applying for loans when there would be little likelihood of money to

fill the requests. Allotments since January have been made from rescinds of previous allotments where states or municipalities or other borrowers were unable to meet the requirements.

Putting people to work through the process of loans to public bodies involves three rather distinct steps. First, there is included an application for a loan or grant, examination of the application, and allotment. Second, includes the preparation of bond contract or grant agreement and execution of this instrument by both the borrower and the administrator. This step also includes the preparation of plans and specifications on the part of the borrower and approval by the state engineer. Third, includes the calling for bids, letting of contracts, and the entering into actual construction work.

ALLOTMENTS NOW ASSIGNED

In relation to the present appropriation, we are entering into the last stage of the Public Works program in so far as public bodies are concerned, with construction contracts being signed and work getting under way throughout the country. Allotments have already been made to public bodies for the construction of over 2400 projects. There have been 728 construction contracts and force account jobs put into operation. It is estimated that within three months a maximum amount of work will be in process on non-federal projects.

A total of over 8200 applications have been filed for non-federal projects, a small percentage of which is for private loans. Many applications are found not eligible either for financial or legal reasons. Work is going steadily forward to sort out from the remaining applications the ones that will meet requirements of eligibility so that prompt advantage may be taken of any new appropriation made by Congress.

In dealing with the question of loaning money to public bodies it was real-

ized there were many obstacles to overcome and many problems to meet. We have found many applications that would not meet the requirements of the Public Works Administration, due either to their failure to qualify as socially desirable or economically sound, or where the financial condition was such that the public body was unable to present securities which were acceptable. This latter condition has been the subject of a great deal of difference of opinion, and in many instances brought considerable hardship. It was often the fact that where unemployment was the worst, and where the need for public improvement was most urgent, the community's financial condition would not enable it to issue acceptable security.

There have arisen, of course, many differences of opinion as to the fairness and applicability of policies adopted by the Public Works Administration; but in general, there has been excellent co-operation on the part of borrowers. The 30 per cent grant has, in the main, been a boon to the whole program in that it has enabled public bodies to conform to the regulations and yet construct public works under conditions which would not increase the local debt burden as much as would have been the case had the bonds been sold on the open market.

POLICY OF THE PWA

Dealing as we have with the problem of loaning money in accordance with the terms of an act of Congress to public bodies controlled by varying laws throughout the length and breadth of America, and subject to many gradations of eligibility, Public Works policy has necessarily had to be a progressive unfoldment, yet with maintenance of fundamental uniformity. It was necessarily a slow process. The government had to have good security which has necessarily eliminated many desirable

(Continued on Page 251)

The New Role of the Public Administrator¹

A changing world
brings changing tasks

LOUIS BROWNLOW

Director, Public Administration Clearing House

IT WOULD be interesting to go back to the very beginnings of our American life and trace the course of events which from time to time have changed the character, but always have enlarged the amount, of the work that the republic has required of its administrators, whether federal, state, or local. But there is not space for that, so I shall content myself with only a rapid glance backward through the years since the beginning of the twentieth century.

When the new century dawned, McKinley had just been re-elected. People by their suffrage had just confirmed their decision of four years earlier that the United States was forever a gold standard country. Queen Victoria still reigned and in her own person represented the seemingly immutable permanence of all that economic and social structure that the nineteenth century had developed after the crash of the Napoleonic empire.

In our own country the frontiers had not yet closed, and many victims of the depression of 1893 were building new homes and new fortunes on the free and open lands of Oklahoma.

Our ports were wide open to floods of immigrants who came to do our heavy work. The railroads dominated our transportation system and determined

the tides of changing population; and we were content, sure of our gold dollars and our steel rails, to go on to bigger and better things.

Many things have happened in that thirty-three years. The motor car, then a toy, called into being a network of free highways. The clash of national interests involved us in the World War and a world economy, and then with all the world we crashed into the depths of the deepest depression we have ever known. Whether or not we would have changed our minds, our minds have been changed for us, and many other things have changed also—even the gold dollar.

If we review the task of the public administrator in relation to these great and deep changes, we may see him always responsive to the public opinion of his time, engaged in his daily work of carrying on the mandate of the people. The people have decided what they will have government do for them, sometimes formally in election; more often, especially in later years, informally by the day-to-day pressure of popular opinion.

At first the public administrator was chiefly concerned with materials. It was his task to build bridges and to dig canals, to plan and construct highways, to design and build public buildings; even to go further and to attempt in city planning and zoning to control in a measure what private builders were con-

¹Address delivered before the Western Conference on Government, Berkeley, California, March 28, 1934.

structing. The growing country demanded physical facilities of its government, and the unceasing springs of financial credit seemed destined never to run dry. It was a lush, free period and there was little counting of the cost. What the people wanted was more and better and bigger improvements, and the public administrator delivered the goods.

AN ACCOUNTING NEEDED

But then the people began to see that it was they, after all, who would have to pay the bill, so they demanded of the public administrator that he concern himself with that phase of the problem. Thus the public administrator shifted the emphasis to money. Public accounts modelled on the bookkeeping system of a cross-roads country store were brought into conformity with better theories of accounting, and budgetary procedure set up, not only as a method of control in the interest of efficient and economical public expenditure but, so great was the emphasis on money, often the budget came to be considered not merely as a means but as an end in itself, and the phrase, "balancing the budget," came to have the sacredotal importance of divine utterance.

As the public administrator shifted his emphasis from materials to money, he could not drop his concern with materials. He was compelled to go on operating and maintaining the physical plants that had been erected, and, even at a diminished speed, with building new plants. The difference was that now he was counting the cost not only of the dollars but of the pennies—he was concerned with the elaborate technical processes of financial control, which inevitably lead to measuring all things governmental with a yardstick made for units of dollars. So far had this emphasis on money in public administration affected not only the action of public administrators but the thinking of the general public that, when

the crash of 1929 came and the country started its long slide into the deep pit of the depression, but one principal remedy, so far as government was concerned, was considered applicable. It was to reduce the burden of taxes by reducing the public budgets. Public administrators and the people alike had thought so much in terms of money and of materials that they had forgotten the importance of the social services represented by those self-same budgets.

A NEW TASK

But now we see another shift in emphasis. The public administrator is now concerned not chiefly with materials, not chiefly with money, but principally and predominantly with men—not merely the men he used to produce, assemble, and fabricate the materials that went into physical plant; not merely the men from whose incomes he took toll in taxes to pay for building and operating this structure—but men as human beings. The new task of the public administrator is to consider not only how much of the income of this man and that can be brought into the public treasury in taxes; but whether that man has any income at all, and whether it is sufficient to maintain him and his family in the enjoyment of that standard of living which we still like to call the American standard.

ABUNDANCE FOR ALL

We have material—plenty of it; some say too much and some say that we must restrict and reduce the production of materials. We have money—plenty of it; some say too much and that we must restrict and reduce its amount, especially when we measure its amount in the term of debts. We have men—plenty of them; but are we willing yet to say too many? Certainly we have millions of men without incomes. We have millions of men who depend today for food and clothing and shelter upon the extraordinary efforts of government,

which in this respect ignores the process of budget-balancing, to save their lives. In the midst of plenty we are hungry, cold, and roofless.

We are determined, I think, although we may not yet fully agree as to means and methods, to concentrate all our efforts on redressing this balance and striving to establish an equilibrium of production and distribution which will restore, or perhaps it would be better to say, will bring for the first time into universal reality that ideal which we know as the American standard of living. Differ as we may with respect to the means and methods, we have come to be all but unanimous in the conviction that the principal agency through which this equilibrium may be established is that of government. We are all but unanimous, I think, in the conviction that the government will succeed or fail in respect of its part of this task in proportion as it is able efficiently and effectively to translate into the terms of the everyday lives of the people through administration the policies that have been arrived at as the result of discussion and political action.

THE ADMINISTRATOR'S JOB

This puts the job squarely up to the public administrator and as he faces it he must realize that his responsibility no longer can be determined by the narrow bounds of a political geographical unit or a particular function of government. At the very beginning of the crisis, the whole business of relief of the unemployed was put squarely on the door-step of the local unit of government. That unit of government was not able to support, either with money or with personnel, even the emergency needs, and so the state had to come in. The states, or most of them, also were unable to meet the demands, and the federal government had to come in.

Traditionally, it was the business of private enterprise to furnish jobs for

workers, but as the depression deepened it became a task, first for local, and then for state, and then for federal government. When the federal government did come in, it came into a relation with private business such as no local or state government ever dared to attempt.

CHANGING EMPHASIS

I have been attending most of the conventions of the International City Managers' Association since 1920. It is an organization made up of competent and devoted public administrators why by necessity have been perhaps less narrow in respect of the functionalism than some other organizations of public administrators. It has been interesting to watch in the conventions of this organization the changing character of the tasks of public administration. In 1920 we were building new streets and highways to attract to our towns new industries. In 1926 we were balancing the budget by a curious and ingenious system of bookkeeping that permitted us to borrow billions for new construction. In 1931 and since we have been concerned not only with such elemental problems as are involved in feeding the hungry and clothing the naked, but in how to maintain those social services of government which are expected to provide those elements for the protection of health, life, and property; for the education and recreation of the people, without which the urban American standard of life is meaningless.

The new task of the public administrator above all else, then, is to concern himself with human relations, with human values, with those deeper economic, social, and spiritual needs of the human beings whose government, in its administrative branch, he represents.

If he is to find some measure of success in his new task, the public administrator inevitably will sustain a new relation to the people. He will be less and less a governor in the sense of a

ruler enforcing decrees and mandates, and more and more a public servant in the sense that he will be the manager of an enterprise which furnishes indispensable social services that the people require and must have.

He will be less and less regarded as an agent solely of some particular geographical unit such as a city, a school district, a county, a state, or even the nation. He will be more and more looked upon as a man charged with responsibility of coördinating, through processes of coöperation, the activities of all levels of government that affect men, women, and children in their everyday family life. In short, he will be the representative on the administrative side of a more socially-minded government that is rapidly becoming less partisan and factional, less legalistic and very much more technical. He will become less and less the amateur and more and more the professional. He will be decreasingly concerned with patronage and spoils and increasingly concerned with service. He will be more of a success and less of a failure in proportion as he is able to command and utilize broad knowledge, deep understanding, and human sympathy in a synthesis of social wisdom.

But whether he succeeds or whether he fails the part that he will play upon the stage of public affairs will be a more prominent part than that for which he has been cast in the past. The immediate future, then, presents both a challenge and an opportunity to all who are interested in public administration, either as practitioners or as advisers.

For whether we will or not, we are faced with the necessity of making a supreme effort to reshape the social order so that we will not longer starve in the midst of plenty. And whatever plans we make to that end, however wise may be the policies determined upon, the task of carrying them into effect is the new task of the public administrator.

PUBLIC BODIES AND THE PWA

(Continued from Page 247)

projects. This could not be avoided. Nevertheless, it has been possible to distribute the allotment to public bodies fairly well over the entire United States.

There have arisen out of Public Works certain definite lessons, some of which are being taken advantage of by steps toward correction. It was found that many projects for which applications were being made were not properly planned within themselves, nor did they have any relationship to broad areas of planning. Planning, therefore, as a nation-wide endeavor has taken definite form, and the National Planning Board has for its purpose the promotion of planning public works not only locally, but as a coördinated scheme throughout the country.

Public Works is having the effect of developing better standards of municipal finance as well as making valuable suggestions along the line of better municipal accounting. Certainly it has brought definitely to public bodies a higher regard for official accountability and conformity to good standards in order that future requests for loans, whether through governmental agencies or private sources, may find their securities such as will compel recognition.

In order to give some idea of the several classes of expenditures for which borrowers have requested money, and for which allotments have been made up to April 4, the following classification of non-federal projects other than railroads and housing is of interest:

<i>Character</i>	<i>Number</i>	<i>Allotment</i>
Waterworks	589	\$ 70,802,901
Sewers	400	133,305,045
Schools	465	73,772,106
Streets & highways	319	38,905,196
Bridges & structures	101	153,953,311
Hospitals	99	20,159,950
Other buildings	211	24,466,939
Power	54	25,054,900
Recreation	15	2,411,900
Miscellaneous improvements	89	27,667,185
	2354	\$570,499,433

Legislative Oligarchy Handicaps New York Governors¹

An analysis of the chief executive's influence upon legislation in the Empire State through the years

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IN THE popular mind the governor of New York is pictured primarily as the chief executive of the state. Little real regard has been given to the fact that both under the state constitution and through a process of gradual evolution the governor has tended to become more the legislator and less the executive. From the adoption of the first New York State constitution in 1777 the governor has played an increasingly important part in the law-making process. In that document he was charged with the duty of informing the legislature at every session of the condition of the state and of recommending such matters to their consideration as should appear to him to concern its good government, welfare, and prosperity. Furthermore, the governor was given the power to veto legislation in conjunction with a council of revision of which he was a member. In 1821 the council of revision was abolished and the power of veto was vested in the governor alone. Under the present state constitution which was adopted in 1894 the legisla-

tive power of the executive was further increased for it was provided that during extraordinary sessions of the legislature no subject might be acted upon unless it was recommended by the governor for consideration.

Circumstances, too, tended to increase greatly the prestige of the office of governor. Unlike the conditions under which the first constitution was framed, when the fear of executive usurpation was rampant, certain developments in the legislature during the nineteenth century caused the people to turn to the governor as their champion in a struggle against corruption among the legislators and a growing unresponsiveness to public opinion.

Today the governor is in a paradoxical position. While he may and does recommend the passage of laws in his messages to the legislature and often accompanies his messages with bills which are drafted under his supervision, his responsibility for the enactment of legislation has never been coupled with sufficient power to bring his proposals before the entire legislature for discussion and a vote. In fact, a study of the last twenty-five years of the legislative relations between the executive and the legislature reveals the fact that often the governor proposes but the legislature disposes. In the period from 1907 through 1931 (Governors Hughes

¹The recent dramatic conflict between Governor Lehman of New York State and political party leaders for control of the legislature focusses attention upon the developing control of legislation by the governor. Mr. McInnes has made a comprehensive historical study of the governor's influence upon legislation in New York State, a summary of which, together with his conclusions, is contained in the accompanying timely article.—EDITOR.

through Roosevelt) of a total of 1320 recommendations made in the messages of the governors 43.6 per cent were adopted by the legislature, 22.2 per cent were wholly ignored, and the remaining 34.2 per cent failed of enactment.

In comparison with the total legislative output during this same period it would appear that the governors' contribution was slight indeed. For instance, the total number of laws passed in response to the proposals of all of the governors during the entire twenty-five years was less than the number of laws enacted during a single session of the legislature. In 1907, seven hundred and sixty-four laws were passed. The total number of laws resulting from the governors' recommendations during twenty-five years was 575. During this same period 82,924 bills in all were introduced into the legislature. Of these, 1,027 or 1.2 per cent were introduced in response to the governors' proposals. Of the total number of 18,379 laws which were enacted by the legislature in the same period only 3 per cent of the total were passed in response to the governors' proposals.

THE GOVERNOR SPEAKS FOR THE STATE

The importance of the governors' proposals does not lie in their number but in the character of the recommendations themselves. The governor through his messages speaks for the interests of the state at large. The great bulk of the legislation which is introduced by the members of the legislature independently of the executive is drafted in the interest of legislative districts or of individuals. In contrast, the governor's program, as contained in his annual and special messages to the legislature, is devoted essentially to a discussion of the major problems affecting the welfare of the people throughout the entire state and to the making of recommendations which are to be enacted into law by the

legislature. This program is based in part on the political platform recommendations of the party of which the governor is the outstanding leader and in part on the policies of the governor developed independently of the party platform. It is interesting to note in passing that the party platform has accounted on an average for about one-fifth of the proposals contained in the messages of the governor. In other words, the governor has not been content to pass the party platform over to the legislature for consideration but he has been diligent of his own initiative in proposing legislation. And the legislature in turn has adopted more of the governors' proposals made independently of the party platform than of the platform recommendations contained in the governors' messages.

THE LEGISLATIVE COMMITTEE

All bills when introduced in the legislature are referred to committees which are given the power of life and death over all measures. It would be physically impossible, of course, for the legislature as a body to consider every measure introduced during the session. Some weeding out process is necessary. But there is every reason for not subjecting the measures introduced in behalf of the governors to this procedure.

In the first place, the importance of the governors' proposals, affecting as they do the welfare of all of the people of the state, entitles them to a full and fair consideration by all of the members of the legislature. Experience has demonstrated beyond a reasonable doubt that no such treatment has been accorded the recommendations made by the governors. Not only have over 20 per cent of the governors' proposals been ignored by the leaders of the legislature, but in those cases in which bills were introduced but failed of enactment over 60 per cent were killed behind the closed doors of the legislative committees. In

only 25 per cent of the instances in which the governors' bills were defeated was there any attempt permitted to force the committee to report the bill out for debate and a record vote. And in each of these cases the attempt was defeated by the order of the party leaders in the legislature.

Furthermore, the recent disclosure of influence exerted by powerful private interests on certain legislative committees makes it extremely unwise to continue in the hands of the committees practically complete jurisdiction over matters which affect so vitally the public interest. It is to be borne in mind that the great majority of the governors' proposals are of this type. To attempt to list the proposals of economic and social reform initiated by able and enterprising governors, which in session after session were quietly killed in committee in the legislature, would serve no useful purpose. Year after year, however, bills were introduced into the legislature at the beginning of the session but they failed with clock-like regularity to emerge from the committee rooms during the session. And nothing that the governors could do under the present procedure ever varied the result. Nor was any explanation given by the members of the committees for their opposition to the governors' proposals.

MORE POWER FOR THE GOVERNOR

In the light of this startling record it is perfectly evident that the time has come when the measures sponsored by the governors should no longer be subject to the ruthless domination of a legislative oligarchy acting in secret and responsible to no rules but its own. The action taken by the committees of the legislature during this period have resulted not only in sinking the reputation of the New York legislature as a deliberative assembly to a new low level but in preventing any really effective exercise of executive leadership in the

interests of the state at large. Even one of the strongest of governors—Alfred E. Smith, who, incidentally, was the only four-term executive in the history of the state—could gain few outstanding legislative victories under this system. His messages contained 558 proposals of legislation during his terms in office or 42 per cent of the total number of recommendations made by all of the governors between 1907 and 1931. During that time he succeeded in gaining the enactment of 33.5 per cent of his proposals into law. And Governor Hughes, who was the most successful of the governors during these twenty-five years, had 56.5 per cent of his recommendations adopted by the legislature.

GIVING PUBLIC OPINION A CHANCE

If the efficiency of the governor as a leader in legislation is to be appreciably increased, the law-making process in so far as it affects his measures, must be brought into the open, there to be conducted under the watchful eye of an informed public opinion. Full opportunity for debate and the recording of the votes of all of the members of the legislature must be given. It is apparent that the present system of government by legislative committee has resulted only in the perpetuation of a system of invisible government that is detrimental to the public interest. In its origin a procedural creation designed to fit the needs of a newborn state, it has failed to meet the tests imposed by complex and industrialized civilization.

The solution, then, naturally follows from the nature of the problem. The writer suggests that the state constitution be amended to provide for the creation of an advisory executive council who shall assist the governor in the formulation of a legislative program for presentation in his annual message to the legislature. The council shall be composed of members of the legislature

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The New Roof Over German Local Government

Interference with
local initiative likely
result of developing
doctrine of state
dominance

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THE student of German government will inevitably fail to grasp its full significance if he overlooks two facts of paramount importance. First, the pattern of political integration has found its spiritual synthesis in the field of administrative rather than constitutional law. The constitutional document which Bismarck's statesmanship produced after France's defeat in 1871 was conspicuously bare of anything which could be termed a logically developed state doctrine; its strength lay in its subtle implications, concealed among pronouncements which originated from the necessity of making the new Reich, symbol of Germany's regained unity, acceptable to her many sovereign princes.

Its successor, the Weimar constitution of 1919, approached the task of democratization almost exclusively from the legislative angle; moreover, while it elaborated the formal aspects of democratic rule it fell short in its attempt at circumscribing the substance of democracy by oscillating, in its "bill of rights", between outspoken socialism and moribund *laissez-faire* liberalism.

Meanwhile German administrative law had, in unbroken continuity, accomplished a much more definite and satisfactory balance between the necessities of community control through executive action and the citizen's interest in a

ready device for his protection against undue or arbitrary interference. The *Rechtsstaat* theory which subjected public administration in its various appearances to the potential test of legality before independent administrative courts, represents a far greater contribution to the final coinage of modern German government than any profession of the Weimar constitution. And second, German administrative law is closely interwoven with the manifold forms of autonomy, among which local government ranks first. But it might well be recalled that the various branches of social insurance are also administered by autonomous bodies under the mere supervision of the Reich. The abundance of striving corporate units in German public life is one of the major causes for the early mitigation of the rigidly centralistic Prussian tradition.

Industrialization tends to shift the center of political gravity toward the urban settlement. The municipality becomes a matter of national concern. At the same time, the state grows conscious of its responsibility for the maintenance of economic peace and the prerequisite equilibrium between production and consumption; social politics, on the other hand, affect primarily the city population. Furthermore, industrial regionalism all too often does not coin-

cide with inherited political subdivisions. Under the federal form of government the difficulties arising from this situation are accentuated by the fact that local government lacks constitutional representation at the national capital; the states exercise a firm grip even over large metropolitan areas. In the face of continuously growing need for closer collaboration between the central authority and local government it is but natural that a remedy was sought through the establishment of semi-public organizations which acted as local government's spokesmen in Berlin.

BEGINNINGS OF CHANGE

The first liaison agencies were founded before the world war. The years of pressing emergency from 1914 to 1919 emphasized the indispensability of direct contact between the national government and the municipal and rural authorities, particularly in the field of relieving destitution and administering the shrinking supplies for army and civil population.¹ During this time of utmost strain the Assembly of German Cities (*Deutscher Städtetag*) rose to prominence.² But in its relationship with the central departments of the Reich which virtually initiated national legislation under the Weimar constitution it was only *primus inter pares*. The official rules of ministerial procedure³ provide that drafts of statutes and important ordinances shall, as a rule, be discussed with the "national represen-

tations"⁴ of cities, *Landkreise* and *Landgemeinden*, i. e. organs of rural government.⁵ True enough, the *Deutscher Städtetag* especially has been, throughout the period since the end of the war, "in the forefront of the struggle for municipal self-government",⁶ above all in meeting the challenge of the depression.

Whenever a national party wins uncontested hegemony in national affairs political unitarianism will receive powerful stimulation. The national socialist party grew to omnipotence at the end of a period of alarming political decline—a decline which, although only the ultimate aftermath of Versailles, was signified by disastrous party feuds, morbid antagonism between the Reich and the states, and smouldering hostility between labor and industry. The Third Reich's claim to totality reflects this unfortunate experience. Fascist Italy has not hesitated to substitute the *podestà* as the representative of the central authority for local self-government as such. Does Germany intend to imitate the Italian model?

REORGANIZATION AT THE TOP

The act on the *Deutscher Gemeindetag* of December 15, 1933,⁷ suggests a reply in the negative. It gives definite legal shape to a new top organization of local government and sanctions the amalgamation of the different liaison agencies in Berlin—an amalgamation which was actually brought about by the National Revolution. The *Gemeindetag* is a corporation of public law (*Körperschaft des öffentlichen Rechts*). This status can mean a privilege, bestowed in order to safeguard autonomy

¹For a brief account see Roger H. Wells, *German Cities* (Princeton 1932) p. 3 ff.—This work represents a careful analysis of modern municipal government in Germany.

²See on the *Deutscher Städtetag* and similar agencies Roger H. Wells *loc. cit.* p. 30 ff.; Charles E. Merriam: Vol. 13 (1931) *Public Management* p. 125 ff.; Fritz Morstein Marx: Vol. 4, No. 5 (1931) *State Government* p. 11 ff.

³§27 *Gemeinsame Geschäftsordnung der Reichsministerien, Besonderer Teil* of May 1, 1924 (not officially promulgated); see Marschall von Bieberstein, *Verfassungsrechtliche Reichsgesetze und wichtige Verordnungen*, 2nd ed. (Mannheim, Berlin & Leipzig 1929) p. 473 ff.

⁴These "national representations" were *Deutscher Städtetag*, *Reichsstädtebund* (for the smaller cities), *Deutscher Landkreistag*, and *Deutscher Landgemeindetag*.

⁵For a description of status and functions of these units of rural government see Roger H. Wells *loc. cit.* pp. 22 ff. and 28 ff.

⁶Roger H. Wells *loc. cit.* p. 32.

⁷*Gesetz über den Deutschen Gemeindetag* (*Reichsgesetzblatt* I, p. 1065).

through the grant of certain quasi-official prerogatives which the status implies. In the case of the new "roof" representation of local government the corporate constitution signalizes restriction rather than privilege; it insures above all homogeneity with the interests of the national cabinet.

The restrictive character of the act is clearly indicated by a number of far-reaching provisions. The tasks of the *Gemeindetag* are precisely confined; while it has to "aid local government" in its work through advice and through the furtherance of an exchange of experience" it is prohibited from pressing any demands on the central authority unless "national and state departments require an opinion on questions submitted to it".⁸ This subjugation will be the more effective since the *Gemeindetag* monopolizes its field: the formal dissolution of all hitherto existing top organizations of local government, including the *Deutscher Städtetag*,¹⁰ finds its counterpart in the outlawry of similar agencies for the future.¹¹ As organs the *Gemeindetag* possesses a chairman, a substituting chairman, the board of directors, and various standing committees (*Fachausschüsse*) each of which devotes itself to a specific functional aspect of the diversified forms of local government. None of these positions is elective, none of them is filled by autonomous selection. The chairman and his substitute are appointed, subject to informal recall, for six years¹² among the members of municipal or rural councils by the National Minister of the Interior, while the members of the board of directors and the committees are picked by the same representative of the national cabinet upon nomination of the chairman which is, however, not

binding; the latter positions are not necessarily reserved to local councilmen.¹³ The organs volunteer their services in an honorary capacity.¹⁴ Among them the chairman is the real governor (*Führerprinzip*). While the board of directors fulfills only advisory functions the chairman "acts under his exclusive responsibility".¹⁵ He is the legitimate representative of the *Gemeindetag* and chooses its staff.¹⁶ That the new top organization is subject to the supervision of the Reich is but the natural consequence of its status.¹⁷ It is, however, noteworthy that the supervision not only extends to the satisfactory fulfillment of the *Gemeindetag's* tasks but also to the fact that "its activity is kept within the field of tasks conferred upon it".¹⁸ Of still greater importance is the continual dependence of the board of directors and the standing committees on the national cabinet; they are allowed to meet in session only when summoned by the National Minister of the Interior who arranges the order of the day and is endowed with the right to preside in person or by proxy.¹⁹ Similar provisions affect the state or provincial sub-agencies of the *Gemeindetag*.²⁰

It is not easy to predict to what an extent this scheme will prove workable. Much will depend on the role which local government is destined to play in the Third Reich, even more perhaps on the factual *modus vivendi* between the national cabinet and the *Gemeindetag*. Two implications of the act of December 15, 1933, however, stand out. First, the trend toward governmental concentration necessarily impedes local initiative. Whoever has had, through actual service, the privilege of looking upon local government from within will be well aware of the creative effect of

(Continued on Page 270)

⁸The act says "*Gemeinden und Gemeindeverbände*."

⁹§ 2 of the act. ¹⁰§ 13. ¹¹§ 2.

¹²But not exceeding the length of their local tenure of office.

¹³§ 3 of the act.
¹⁷§ 7.

¹⁴§ 3.
¹⁸§ 8.

¹⁵§ 4.
¹⁶§ 4.
²⁰§§ 11, 12.

Requirements of New State Liquor Laws

A report by the
National Municipal
League Committee on
Liquor Legislation

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THERE are at the present time twenty-one states in which the sale of beverage liquor is still illegal. Provision, however, has been made in nine out of the total eleven which are dry by constitution for a referendum on repeal within the next year or two. There are also repeal plans in progress in several of the states where the dry law is a statutory one. Thus in Mississippi a liquor law was passed on April 3 by the state legislature, subject to popular vote on July 10, repealing the state's dry statute and authorizing the establishment of county dispensaries for the package sale of alcoholic liquors. Again, in New Hampshire a conference of the legislative group which coöperated with the special commission for the study of liquor control was called by Governor Winant, and it is expected that the legislature will be called into special session for the sole purpose of considering the liquor control measure recommended by the special liquor study commission.

There are signs of change toward greater liberality in regard to alcoholic liquors in several of the other dry states. In Arkansas, for example, home brew for personal use is legal, as is also the manufacture of wine and brandy from native fruits for sale outside the state, while in Georgia and Kentucky

steps have been taken to disregard the dry laws of these states.

In Georgia the city council of Augusta made an unsuccessful attempt to authorize the sale of hard liquor in that city, while in Kentucky a successful circumvention was accomplished by the enactment by the state legislature of a so-called "medicinal" liquor law. This "medicinal" liquor law not only permits the sale of wines and liquors by the package without a physician's prescription, but also the sale with meals of all kinds of liquors by the glass in licensed hotels and restaurants. The general assembly feels that such consumption on the part of the people of Kentucky will be entirely for the medicinal benefit. The law expressly states that (sec. 6) "when consumed in small and limited quantities with meals . . . liquors have medicinal value" and that (sec. 10) liquors are "curatives for bodily disorders" and "tonics for nervous or mental fatigue and for other necessities of the human body." As was stated, no physician's prescription is required for the purchase of liquor either by the drink or by the package, unless the purchaser wishes to buy by the case, but a system which might be termed a system of self prescription has been devised. The citizen of Kentucky, in short, diagnoses his own ailment, de-

cides on the type of liquor required for his cure, and purchases accordingly, submitting to the liquor dealer a self dictated prescription setting forth the use for which the liquor is purchased as well as his name, age, and other relevant facts.

Still other indications of a trend away from strict prohibition are such events, for example, as the repeal last November of Utah's dry constitutional amendment, and, as in West Virginia, the permission of importation into the state of bonded liquor for home consumption. Also, as the table below indicates, there are in operation in all of the dry states, with the exception of Alabama, Kansas, and Georgia, recently enacted beer laws permitting and governing the manufacture and sale of non-intoxicating beer. In most of these laws the term "non-intoxicating" is defined as having an alcoholic content of 3.2 per cent by weight, although in Mississippi the alcoholic content is placed at 4 per cent by weight and in New Hampshire and South Carolina at 6 and 5 per cent by volume, respectively. It may be of special interest to note that the two traditionally driest states, Maine and Kansas, are both included in the list of states that have

passed resolutions to hold popular votes on repeal at the general elections in the fall. In the latter state, in a recent special session, several liquor bills were introduced, and although none were passed, a great deal of lively interest and debate accompanied their introduction. Also, although the sale in this state of even 3.2 beer is still illegal, no convictions, according to the attorney-general's opinion, have as yet (that is, since the legalization of that beverage by the federal government) been obtained for violations of the state's prohibitory act by the sale of such 3.2 beer; and this in spite of the fact that numerous prosecutions have been instituted in which the charge was a violation of the law by such sales.

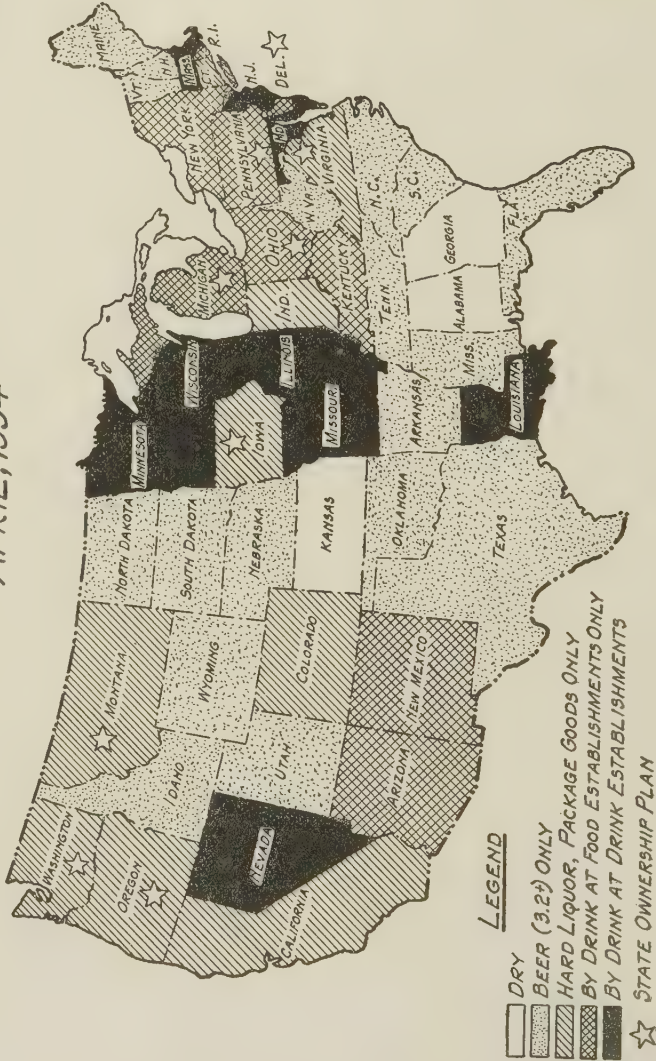
The table below indicates the general status of the dry states.

As regards the wet states, there is at the present time only one, namely Louisiana, that has not already enacted a new permanent liquor law. In this state the old pre-prohibition local option law has been resumed and is to continue in force until a new law is enacted, perhaps during the state's legislative session in May.

Of the twenty-six new permanent state liquor laws eleven embody the gov-

<i>State</i>	<i>Legal Status</i>	<i>Referendum on State Dry Law</i>	<i>Legal Alcoholic Beverage</i>
Alabama	Dry by statute		½ of 1% by volume
Arkansas	" " "		3.2% by weight
Florida	" " constitution	November, 1934	3.2% by weight
Georgia	" " statute		½ of 1% by volume
Idaho	" " constitution and statute	December, 1934	3.2% by weight
Kansas	" " " " "	November, 1934	not "intoxicating in fact"
Kentucky	" " " " "	November, 1934	hard liquor "medicinal"
Maine	" " " " "	September, 1934	3.2% by weight
Mississippi	" " statute	July, 1934	4% by weight
Nebraska	" " constitution and statute	November, 1934	3.2% by weight
New Hampshire	" " statute		6% by volume
North Carolina	" " "		3.2% by weight
North Dakota	" " "		3.2% by weight
Oklahoma	" " constitution and statute		3.2% by weight
South Carolina	" " statute		5% by volume
South Dakota	" " constitution and statute	November, 1934	3.2% by weight
Tennessee	" " statute		3.2% by weight
Texas	" " constitution and statute		3.2% by weight
Utah	" " statute		3.2% by weight
West Virginia	" " constitution and statute	November, 1934	3.2% by weight
Wyoming	" " constitution	November, 1934	4% by volume

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National Municipal League - Liquor Legislation Committee.

ernment ownership plan and fifteen the license plan, although in two of these latter, namely Maryland and Wisconsin, specific provision is made for the ownership of liquor by county governments and the establishment of county liquor stores. To the list of license systems should be added the District of Columbia, and also Kentucky, which as it was pointed out above, has a disguised beverage liquor law. Likewise, to the list of government ownership systems may

be added the yet unratified county store liquor law of Mississippi.

The table below indicates the general distribution of the types of control systems.

In the majority of these states, whether under license or state monopoly, the entire control of the traffic is in the hands of a special state commission or other state governing body. In Arizona, for example, the whole traffic is under the control of the state tax

LICENSE PLAN

Types of retail sales permitted beside package sale

<i>State</i>	
Arizona	All liquors by the glass in hotels and restaurants with meals.
California	Beers and wines by the glass in restaurants, etc. with meals. Bars expressly prohibited
Colorado	Beers and wines by the glass in hotels and restaurants.
Connecticut	Beers and wines by the glass in hotels and restaurants. Beer in taverns.
District of Columbia	All liquors by the glass in restaurants and hotels. Beer and wine in taverns.
Illinois	Liquors in taverns as well as hotels and restaurants. Bars expressly prohibited.
Indiana	Beers and wines in restaurants and hotels.
Kentucky ("medicinal")	All liquors in restaurants and hotels with meals.
Louisiana (old law)	All liquors in taverns as well as hotels and restaurants.
Maryland	All liquors in taverns as well as hotels and restaurants. Bars expressly prohibited.
Massachusetts	All liquors in taverns as well as hotels and restaurants. Patrons to be seated at tables or counters.
Minnesota	All liquors in taverns as well as hotels and restaurants.
Missouri	All liquors in taverns as well as hotels and restaurants.
Nevada (county rule)	All liquors in taverns as well as hotels and restaurants.
New Jersey	All liquors in taverns as well as hotels and restaurants.
New York (passed legislature, not yet signed)	All liquors in hotels and restaurants.
Rhode Island	All liquors in hotels and restaurants. Beer in taverns.
Wisconsin	All liquors in taverns as well as hotels and restaurants.

AUTHORITY PLAN

Delaware	All liquors in hotels and restaurants. Beer in taverns. Bars prohibited.
Iowa	Package sale only. Beer by the glass in hotels and restaurants with meals.
Michigan	All liquors in hotels and restaurants. Beer in taverns. Bars expressly prohibited.
Mississippi (subject to referendum)	Package sale only. Beer by the glass.
Montana	Package sale only. Beer by the glass in hotels and restaurants. Bars expressly prohibited.
New Mexico	Beers and wines by the glass in hotels and restaurants.
Ohio	All liquors by the glass in hotels and restaurants. Bars expressly prohibited.
Oregon	Beers and wines by the glass in hotels and restaurants with meals.
Pennsylvania	All liquors by the glass in hotels and restaurants. Bars expressly prohibited.
Vermont	All liquors by the glass in hotels and restaurants
Virginia	Beers and wines in hotels and restaurants.
Washington	Beers and wines in hotels and restaurants. Beer in taverns.

commission, in California the state board of equalization, and in Colorado the state treasurer, while in Indiana the excise director is entrusted with this power. In Maryland and Wisconsin the power is divided between the local governing bodies and the state comptroller and the state treasurer respectively. The following states, however, have placed the control of the alcoholic beverage traffic in the hands of special liquor commissions:

Commission has exclusive control

Connecticut
Delaware
Iowa
Michigan
Montana
Ohio
Oregon
Pennsylvania
Washington

Commission shares control with local governing bodies

Illinois
Massachusetts
Minnesota
Mississippi
Missouri
New Jersey
New Mexico
New York
Rhode Island
Vermont
Virginia

Although as a general rule the sale of alcoholic liquors by the drink is more restricted under the state ownership plan, there are, as the table above indicates, very important exceptions to this. Delaware, Michigan, Ohio, Pennsylvania, and Vermont, for example, although operating under state authority types of laws, permit the sale of all kinds of alcoholic liquors, including spirits, by the drink, while in California, Colorado, Connecticut, and Indiana,

where the license type of liquor control is law, the consumption of beer and wine only is permitted on the premises where such beverages are sold.

Personal purchase permits are prescribed by but a few states. These are Iowa, Montana, New Mexico, Oregon, and Washington. Delaware should be added to this list as a state requiring a personal purchase permit, but only for liquor for personal stock.

The matter of fixing the prices of the various liquors is limited almost exclusively to states where the state authority system of liquor control is in use. The important exceptions to this are the instances of Massachusetts, where the maximum prices of all liquors are to be drawn up by the liquor commission, and Rhode Island, where the determination of all wholesale prices is left to the commission. The taxes and license fees vary from state to state.

Some laws prohibit retail credit, namely:

Delaware	Michigan
District of Columbia	Ohio
Illinois	Pennsylvania
Iowa	Rhode Island
	Washington

Some laws provide that all retail sales must be for money:

Illinois
Pennsylvania
Rhode Island

And some laws provide that no liquor is to be served without charge:

Delaware	
Illinois	
Massachusetts	Iowa—(Illegal for
Michigan	manufacturers to
Washington	give away any
	liquor)

In some states the laws include provisions limiting the quantities that may be purchased, as follows:

<i>State</i>	<i>Amount</i>
California	5 gallons
Connecticut	not less than 1 quart
Delaware	1 bottle spirits; 12 bottles beer or wine
Indiana	24 bottles beer or wine; 4 quarts spirits
Kentucky	1 quart liquor or wine every 7 days
Mississippi	24 ounces every 7 days
Oregon	Commission may limit quantities which may be purchased at any one time. No regulations as yet.
Virginia	1 gallon of alcohol or spirits at a time
Wisconsin	1 gallon

The following states have provisions as in Colorado, Maryland, Virginia, and in regard to the advertising of liquor: Washington, and, as in Massachusetts,

<i>State</i>	<i>Type of provision</i>
Delaware	No poster advertising except for beer and wine
Indiana	No bottles of spirits or any other advertisement in any show windows
Iowa	Under supervision of the Commission
Massachusetts	Under supervision of the Commission
Minnesota	Commission to regulate all forms of advertising
Montana	Advertising other than that by newspapers and periodicals only by the Commission, except beer which is under the supervision of the Commission. Advertisements in newspapers, etc. may not quote prices and must state that the liquor is for sale only at state liquor stores.
Ohio	Under the supervision of the Commission
Oregon	Under the supervision of the Commission, with the additional reservation that there is to be no advertising by state stores
Pennsylvania	Under the supervision of the Commission
Virginia	Under the supervision of the Commission
Washington	No advertising in any form by the Commission

The greatest uniformity in all the laws occurs in connection with such provisions as the prohibition of sales to minors, intoxicated, or interdicted persons, and of sales on Sundays; the prohibition of "tied houses" through interlocking business, direct or indirect interest, or through loans; and the provision of the privilege of local option.

There are also innumerable special provisions such as the prohibition against the buying of drinks for female employees in liquor establishments either by the employer or patrons of the licensee, as in Arizona; the provision that women may not be employed in any liquor business as in Nevada and Rhode Island, and, as regards beer taverns, in Connecticut; the provision, as in Massachusetts, that liquor may not be sold or served to women in taverns; the prohibition against drinking in public streets as in the District of Columbia, Iowa, and other states; prohibitions as in Illinois and Oregon against the contribution by licensees to campaign funds; the civil liability of sellers of liquor for damages incurred by intoxicated persons as in Connecticut, Illinois, and Rhode Island; the prohibitions against solicitations for order of liquor

Oregon, and Pennsylvania against the peddling of liquors; the provision as in Illinois that the landlord of any licensed premises is equally liable with the licensee for violations of the law; the provision as in Minnesota that the legislature "expressly reserves the right to limit the profits of any authorized manufacturer, wholesaler, or retailer", and, again as in Minnesota, the provision that the state department of education is to prepare a course of instruction for the public schools on the effects of alcohol on the human system; the provision as in Rhode Island that any licensee is forbidden to eject an intoxicated person from his establishment; and the provision as in Wisconsin against the sale of liquors at public auctions. Wisconsin, incidentally, is the only state that licenses bar tenders. They are called "operators" and are to be in charge of all the waiters and other employees of retail on-sales establishments.

EDITOR'S NOTE: The text of this article, but not the map, has been corrected to May 1, 1934. Vermont and New Mexico have adopted the state ownership plan since the map was prepared.

Still the United States!¹

Suggesting that states
still have many indis-
pensable functions

RODNEY L. MOTT

*Research Consultant, American Legislators'
Association*

IT HAS long been recognized that the states were at a disadvantage in the race for public attention. Their functions lack the dramatic character of those of the federal government, and they are not as close to the people as are those of the city. A citizen can visualize Uncle Sam; he takes pride in the achievements of the navy, the air service, or the coast guard; he carries coins from federal mints in his pockets; and he affixes the portraits of federal heroes to his letters.

On the other hand, the city is close to him. He may know the alderman, and perhaps the mayor, personally. His local government paves and cleans the street in front of his home, it collects his garbage, pumps his water, and furnishes him parks, libraries, and schools. These services affect his daily life—and he pays for them in a tax bill which he can see and feel.

But the state is neither fish nor fowl. It can never soar to the heroic heights of fighting a war for democracy; it seldom rubs shoulders with the citizens

in the stream of daily life. The states were on the defensive long before the catastrophe of 1930. Indeed they have been fighting for their place in the sun of public interest ever since 1789. Small wonder that during the past few years there have been numerous predictions that the twilight of the states is at hand. Some of these predictions have grown out of wishes, others out of fears, but in either case the prophets seldom rested their case on the psychological impotence of the states—their lack of popular appeal. Rather they have attempted to show that the state governments are wasteful and corrupt; that they are incompetent to meet the governmental needs of today; and that the loss of governmental powers to the federal government has left them only a hollow shell—a mere vestigial organ.

No informed and intelligent person will deny that state governments have at times been wasteful or even corrupt. But for that matter neither the cities nor the federal government can boast of universal efficiency or immaculate skirts. Whether the states are lower in the scale of civic virtue than the cities is wholly a matter of opinion. One may match a Huey Long with a Jimmy Walker or a Theodore Bilbo with a Bill Thompson, but who is competent to judge the moral tone of a government, and by what yardstick will he measure

¹Dr. Charles E. Merriam, in his article entitled "The Federal Government Recognizes the Cities," published in the February 1934 issue of the *REVIEW*, states: "In the reorganization of our industrial life we have found the state incompetent and almost useless, and we have found out the importance of the city as a unit." The article by Dr. Mott presents the opposite point of view.—EDITOR.

it? Who would weigh the civic degradation resulting from Teapot Dome against that arising from the peccadillos of Len Small? Is there scientific proof that the virtues of Cincinnati's city manager government excelled those of the Smith administration in New York?

It is incontestable, however, that the prestige of a state far surpasses that of the cities. State legislators do not resign their seats to run for the city councils of even the largest cities, nor is the governor's chair a stepping stone to the mayoralty. Unsatisfactory as are the civil service laws in a majority of the states, and in spite of the fact that some cities pay their employees higher salaries than do the states, it is still true that most people would prefer to work for the state rather than for a municipality. United States Civil Service Commissioner Leonard D. White has clearly demonstrated that, although the prestige of the national service is the highest of the three, the prestige of the state services outranks that of the municipal services. The prestige of a service may not be an accurate weather gauge of its competence, but it unmistakably shows whence the wind blows.

SHIFTS IN GOVERNMENTAL EMPHASIS

It is true that during the past century and a half the states have been gradually losing some of their most dramatic powers to the federal government. Every emergency—1861, 1889, 1917, 1933—has seen power slip from their hands. Curiously, however, these frequent blood transfusions to the federal government seem only to have made the states more lusty than ever.

The services which any government renders may be roughly measured by the amount of money which is spent on them. If this test be applied to the three levels of government—federal, state, and local—it will be found that our cities furnish about two-thirds of our governmental services and that the

national government provides more services than do the states. But, what is more significant, it will be found that the state services have increased more rapidly than those of either of the other two levels. The per capita expenditures for governmental functions of the federal, state, municipal, or other local governments are given in the following table, which is taken from Dr. Carroll H. Woody's study for the President's Committee on Recent Social Trends. Measured by their expenditures, state functions have grown twice as fast as any other level of government.

PER CAPITA EXPENDITURES FOR
GOVERNMENT FUNCTIONS
In 1915 dollars—exclusive of interest

<i>Government</i>	<i>1915</i>	<i>1929</i>	<i>% increase</i>
States	\$ 4.77	\$ 9.54	100
Federal	7.10	10.37	45
Cities	30.54	40.75	35
Other local	10.63	14.88	40

The huge highway programs which the states have undertaken are responsible for a considerable portion of this increase. Local highway administration—township, county, and even city—has been found intolerable, and, beginning with New Jersey in 1891, the states have gradually increased their control over the roads until now four states—Connecticut, North Carolina, Virginia, and West Virginia—have adopted a centralized administration of the roads.

That the other functions of the states have grown rapidly—if not as rapidly as highway construction—is shown in the following table (also taken from *Recent Social Trends*) which gives the governmental cost payments of the forty-eight states in millions of dollars.

GOVERNMENTAL COST PAYMENTS OF
FORTY-EIGHT STATES

In millions of 1915 dollars—exclusive of interest

<i>Function</i>	<i>1915</i>	<i>1929</i>	<i>% increase</i>
Highways and waterways	77	752	874
Recreation	2	14	559

Conservation of natural resources	18	76	322
Education	158	560	254
Health and sanitation	10	35	243
Charities, hospitals, and corrections	102	260	155
General government	50	127	155

Expenditures for recreation have increased over 500 per cent with expenditures for conservation of natural resources, education, and health each running well above 200 per cent. The leanness of the general property tax as a revenue producer is gradually forcing the states to enlarge their expenditures for education. Two states—Delaware and North Carolina—have already assumed the entire support of the common schools and other states, such as California and New York, are not far behind. Nor do these increases merely represent sums which the federal government has granted in aid to the states. While federal grants may have spurred some of the states into action, they constitute only a small part of the expenditures of the states each year. It was but 7½ per cent in 1930.

Cassandras of the states may be surprised to learn that twice as much money is spent annually by the states on forest fire prevention as is spent by the federal government and that the states and counties appropriate for agricultural experiment stations nearly three times the federal expenditures.

Today state functions range from the regulation of public utilities to factory inspection, from the administration of workmen's compensation laws, to the stamping out of hog cholera, from providing courts to providing schools for the blind, and from supporting state parks to supporting state universities.

Cities are coming to the states with pleas for a share of the diverse sources of revenue which the sovereign agencies have at their command. They claim a slice of the gas tax, a part of the income tax, some of the sales tax. In return, the states have insisted upon more rigorous and more comprehensive

supervision of local units of government, imposing tax rates on cities and limiting municipal debts. Thirty-one states now prescribe a system of local accounts as compared to four which regulated this matter in 1900; and even more drastic state control of local expenditures has been put in effect in some states.

It is significant that the net result of the "Noble Experiment" has been to transfer the control of intoxicating liquors from municipalities to the states. Only ten states now permit their political subdivisions to license the sale of liquors, and five of these maintain state supervision over the licensing. The burden of liquor control has been shifted from the backs of the cities to the stronger shoulders of the state, a shift which no impartial student of the problem has deplored.

SOME RARE EXCEPTIONS

It is true that there are a few metropolitan areas which could maintain a complete set of governmental services. Regions like greater New York, greater Philadelphia, or the Chicago metropolitan region could economically support public utility commissions, industrial commissions, tax commissions—with elaborate engineering and technical staffs—as well as municipal penitentiaries, universities, normal schools, and insane asylums. But the half dozen cases in which our state lines have been outgrown by our social and industrial order should not distort our vision of the whole picture.

There is evidence, furthermore, that the total population in the smaller cities—those, that is, under a hundred thousand—is increasing at a more rapid rate than that of larger cities. Who would suggest that cities under a hundred thousand are in an economic position to provide themselves with all the governmental facilities supplied by the states? And there are only eighteen cities whose populations, with their suburbs, are in

excess of five hundred thousand. These eighteen cities are located in eleven states. If the states are dying, who is to provide governmental services in the other thirty-seven states and for the other fifteen hundred cities and towns of less than twenty-five hundred population? Will the federal government add to its budget the two billion dollars annually necessary to provide services the states now render?

One need not be the son of a prophet to discern that the changing pattern of our political life does not include an annihilation of our basic unit of government. What is needed is less talk about the demise of the states and more discussion of how their services can be strengthened. We need to focus public attention on the changing relationships which are developing between cities, states, and nation in order that these changes may be dictated by intelligence rather than emotion. We need to focus attention on the need for flexibility in our state structures. Changes can be effected in our rigid state constitutions only after public interest is aroused and predictions of abolition will not quicken the public pulse.

If the states are dying it is not because they do not have important services to perform. Nor is it because they perform those services badly. To the practical politician the states are far from dead. The two billion dollars they spend each year are as interesting to him as any other two billion dollars; their two hundred thousand employees with their two hundred thousand jobs are not myths to his practised eye. But if he can convince the people that the state is unimportant, if he can focus their attention on the pageant at Washington, if he can divert them with municipal problems, his chance of resisting reform is greatly enhanced. Citizen interest is the one thing he does not want. If our states ever do become

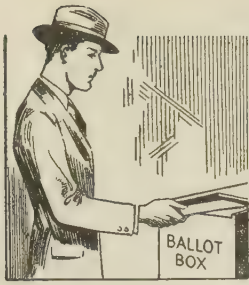
fifth wheels on our governmental band wagons, it will be due to this failure to dramatize their services.

LEGISLATIVE OLIGARCHY

(Continued from Page 254)

and representatives of agriculture, industry, finance, labor, and of the public. Administration bills based on the governor's proposals as contained in the annual message shall on introduction into the legislature be referred to the appropriate committees. These administration bills shall, on the written request of the governor, be reported out of committee within thirty days, accompanied by a report of the committee. The committee or a minority of the committee may report out at the same time measures which are in opposition to the administration bill but they shall not be substitutes for the administration bill. Both the administration bills and any opposition bills shall be considered in both houses in committee of the whole house and opportunity for debate and a record vote given. The consideration of these measures shall take precedence over all other bills except executive appropriation bills. Special messages from the executive which initiate new legislation and are accompanied by administration bills shall, on the written recommendation of the governor, be reported out of committee within ten days of the receipt of the bill by the committee and an opportunity for debate and a record vote given before the session adjourns.

With the adoption of this amendment it can be said that the power of an unrepresentative legislative committee to defeat the will of the people as expressed in the governors' proposals will be destroyed and in its place there will be set up a procedure that will be to a far greater extent controlled by an informed public opinion.



PROPORTIONAL REPRESENTATION

EDITED BY GEORGE H. HALLETT, JR.

Continuing the Proportional Representation Review

Proportional representation ("P. R.") is a method of electing representative bodies which assures any group of voters the same share of the members elected that it has of the votes cast. It is designed to guarantee majority rule and minority representation. In its best form (the "Hare system") it makes primaries unnecessary and keeps scattering votes from being wasted by means of a preferential ballot. It thus makes impossible the domination of organized political minorities.

A Charter Commission Created for New York City

In one of the wildest and most dramatic scenes ever witnessed at Albany the New York legislature, between two and three A. M. on April 28, set up a charter revision commission for New York City and adjourned.

Since the beginning of the session in January, the governor and all the legislative leaders had agreed that charter revision was a necessity, but the subject had been kept in the background until very recently by the prolonged fight on the New York City economy bill. When that issue was finally settled,¹ there was difficulty in getting agreement on any one plan. No less than twelve charter revision bills were introduced and three of these were seriously considered until the closing hours of the session. When it was at length agreed that a commission should be named by the legislature to draft a new charter and present it directly to the voters for approval, there appeared to be a hopeless deadlock over personnel. The Republicans, coöperating with Mayor La Guardia's Fusion administration, controlled the Assembly and the Democrats the Senate, and since a two-thirds vote of each house was required on a local measure of this kind, the assent of both parties in both houses was required.

Finally, after repeated conferences, a care-

fully balanced slate was agreed to by all the leaders and presented by Senator John J. Dunnigan of the Bronx, Democratic majority leader of the Senate, on the last evening of the session. The Democratic members thereupon upset the agreement by adding one of the most vigorous critics of the present city administration, by amendment from the floor, and promptly adjourned the Senate so that the Republican Assembly had to take the revised list or nothing. To the consternation of the Democrats the assembly Republicans then refused to accept the revised bill and told the Democrats to explain to the voters why the agreement had not been kept and how charter revision had been defeated. For a time pandemonium reigned as charges and taunts flew thick and fast, but the most frantic attempts to break down the Republican front were unavailing. The bill was declared lost and everyone prepared to go home. At that point Governor Lehman talked with Mayor LaGuardia on the long-distance telephone and the mayor agreed to accept the Senate bill as better than nothing. The vote was reconsidered and the bill passed.

Until the commission reports there will be honest difference of opinion as to whether the mayor made the right decision. A majority of its twenty-eight members were picked by the Democratic organization, but certainly a majority of them are not of the type whose decisions can be organization-controlled. And the list includes such outstand-

¹See the Notes and Events section of this number.

ing champions of fundamental charter revision as Judge Samuel Seabury, Richard S. Childs, Norman Thomas, Leonard Wallstein, and Charles H. Tuttle.

All of the members just mentioned, and some others, are on record in favor of proportional representation, which may therefore—in spite of the opposition of the commission's chairman, Alfred E. Smith—be expected to receive serious attention. In fact proportional representation is the only charter reform specifically mentioned in the bill. Section 4 provides for submission of the question: "Shall the charter proposed by the New York City charter commission be adopted?" It then adds:

No provision in such charter for the election of any elective officers by any system of proportional representation shall become effective, however, unless the definite question with respect to the adoption of such system for the election of such officers shall have been separately submitted and approved at such election by the affirmative vote of a majority of the qualified electors voting thereon at the same election.

This provision, inserted as a safeguard by foes of the system, may well prove its salvation. Without it there would be no suggestion of a vote on any question except the adoption or rejection of the charter as a whole. A majority of the commission might hesitate to make the whole charter stand or fall on this issue even if they favored P. R. but may be entirely willing to submit it separately, with alternative provisions to take effect in case of its defeat, even if they do not favor it.

Four of the other charter bills, introduced but not adopted, also mentioned P. R. A charter commission bill by Assemblyman I. Arnold Ross, Manhattan Republican, provided definitely for the separate submission of this issue. The P. R. charter recommended by Judge Seabury to the Hofstadter legislative investigating committee was re-introduced by Senator Thomas C. Desmond, now of Newburgh, but formerly president of the Young Republican Club of New York City. And identical bills were introduced by Assemblyman Herbert Brownell of Manhattan and Senator George Blumberg of Brooklyn, both Republicans, providing for a P. R. council elected by borough-wide districts with a fixed quota of 100,000, to replace the board of aldermen if the voters approved and the board

of estimate and apportionment also, if that board approved at any time thereafter.

The charter commission which has now been set up (presumably by the time this appears in print it will have received the governor's approval) may take as much or as little time as it wishes to complete its work and may study, with power of subpoena, "any subject relevant to the property, affairs or government of the city of New York," or "the laws relating thereto," or "any matter or thing deemed by the commission to be pertinent thereto." It may submit the new charter at any general election or at a special election to be held at least sixty days after the charter is filed with the city clerk.

New York Gets a Measure of County Home Rule

The session of the New York legislature just closed had under consideration eight constitutional amendments and four important general bills providing for improvements in county government, most of them on the basis of home rule. The subject was stressed by Governor Lehman in his opening message and was given much attention. Four of the amendments and three of the other bills passed one house or the other, but only one measure got all the way through.

The one bill enacted, though by no means the best, does constitute a forward step of great importance. It allows any county outside New York City to draft and adopt a charter for its own government. Such a charter may be prepared and submitted only by a charter commission, which may be created at any time by the county board of supervisors and must be so created if requested by a petition of fifteen per cent of the number who voted in the county at the last election for governor. A majority vote is required not only in the county as a whole, but in any municipality having more than a quarter of the county's population and in the county outside of such municipalities. The board of supervisors is obviously left in control of the situation, but the way is opened for any county which has or can obtain an enlightened board to secure as good a county government as present constitutional limitations will allow.

This bill (Senate Int. No. 5) was sponsored by Senator George Fearon of Syracuse, Republican minority leader in the Senate. A

better bill along the same lines was actively championed by Senator Thomas C. Desmond (also a Republican) of Newburgh, and passed the Senate, only to die in the Rules Committee of the Assembly in the final days of the session. The Desmond bill (Senate Int. No. 9) included the provisions of the Fearon bill, but also allowed a charter commission to be named in a petition, subject to approval by the voters, or elected at the polls. It provided, too, that charters or amendments might be submitted directly by petition or by resolution of the board.

This bill was part of a comprehensive program on local government reorganization sponsored by Senator Desmond and prepared with the help of the National Municipal League. Senator Desmond's indefatigable work for this program, introduced in the first week of the session, was in no small measure responsible for the passage of the Fearon bill, which went a shorter distance in the same direction.

Another of Senator Desmond's bills which passed the Senate after debate was Senate Introductory No. 8, which set forth four specific optional forms of county government and a choice of seven methods of election with any one of them. One of the possible combinations offered was the one recommended by the committee on county government of the National Municipal League—the county manager plan with a small board of supervisors elected by proportional representation. P. R., like the other election methods offered, was also made available with the "county president" (strong mayor) form, the "county executive" (weak manager) form, and the county board form, which differed little from the existing form except for the option of better election methods and the requirement of improved financial methods. The alternative vote in single-member districts was also among the election methods offered.

Constitutional amendments by Senator Seabury C. Mastick, Westchester Republican, Senator Desmond, and Senator Stephen J. Wojtkowiak, Buffalo Democrat, all removing constitutional barriers to proper county reorganization, also passed the Senate. The Mastick amendment had the active backing of Governor Lehman. The Republican Assembly also passed one county amendment, by Assemblyman Herbert Brownell of New

York, to pave the way for county consolidation in New York City as the legislature might see fit, but this bill was buried in committee in the Democratic Senate. A motion to discharge the committee was defeated on a straight party vote.

A P. R. Bill in New Jersey

Assemblyman Theron McCampbell of Monmouth County, who has recently announced his candidacy for governor, introduced in this year's New Jersey Assembly a bill to eliminate primaries entirely and conduct all elections in the state by proportional representation (for groups of representatives) or the alternative vote (for single officials) if the voters approved the measure at the fall election. The bill is Assembly bill No. 276.

Mr. McCampbell has been conducting a vigorous educational campaign and has secured a number of friendly editorial comments such as the following from the Bergen *Evening Record* of March 1: "New Jersey will probably not accept such a method of naming its officials. . . . But it is worth the study and consideration of people who are tired of government by a few."

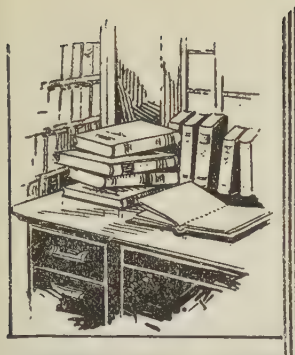
GERMAN LOCAL GOVERNMENT

(Continued from Page 257)

its "inherent forces".²¹ Autonomy inspires the origination of "animating tensions of genuinely political nature"²² which vitalize the state. The "governmentalization" of autonomy threatens to dry up this spring of life. And second, the idea of political totality as a device of expansion bestows upon the state the presumption of finality which is incompatible with the *Rechtsstaat* tradition. Thus Germany is heading for a distinctly new state doctrine.

²¹Heinrich Sahn: Vol. 4 (1932) *Amerika-Post* p. 59.—Dr. Sahn is still *Oberbürgermeister* of Berlin; until recently he has taken an active part in the work of the *Deutscher Städtetag* and the Prussian *Städtetag*.

²²Fritz Morstein Marx: Vol. 23 (1933) *Archiv des öffentlichen Rechts* (New Series) p. 380.



RECENT BOOKS REVIEWED

EDITED BY EDNA TRULL

The Metropolitan Community. By R. D. McKenzie. New York, McGraw-Hill Book Co., 1933. 352 pp. \$3.50.

This work is a monograph in the series prepared under the direction of the President's Research Committee on Social Trends. In its preparation, Professor McKenzie had available the statistical data gathered by the committee for its report on *Recent Social Trends in the United States*, and he was assisted in the writing of the monograph by nine experts who contributed chapters dealing with their specialties. The limitations of the work are acknowledged in the preface. The object of the author and his collaborators is declared to be the description and analysis of important structural changes in metropolitan development.

The metropolitan community is defined in various ways. Consideration of the topic is introduced by a survey of tendencies in population distribution, a survey that terminates with the definition of a metropolitan community as an aggregation unit. This definition is then vitalized by a discussion of the factors involved in metropolitan concentration—economic, social, biological, and cultural. These major factors are analyzed, and certain, but by no means all, of the phases of each are treated at length. The work is illumined with maps and tables and graphs and cartograms, which not only add to the attractiveness of the volume but also give it the flavor of certainty.

The merits of the monograph lie in its conciseness, in its clearness, and in its reliance on factual material. Controversial issues are carefully avoided, but there are a few "spots" where the skeptical scholar is entitled to a

raised eyebrow. Are the residents of the outer zones of metropolitan cities deserving of the title "more substantial members of the community"? (p. 182). Is it "being realized that a city cannot be satisfactorily administered as a single population entity"? (p. 249).

On its face this latter statement is plausible enough, but there are no facts to sustain it and it is subject to the construction that metropolitan areas should not be centrally administered. There is no evidence to sustain this view, but there is revealed in this work the tendency of sociologists and city planners to ignore the problem of political and governmental organizations of metropolitan communities. A chapter on metropolitan government is, to be sure, included; but it is regrettable that more space was not accorded this topic. There is no reference to the three outstanding studies in this field, and no indication of the great progress which has been made in the field of metropolitan governmental integration.

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The Local Government of the United Kingdom (and the Irish Free State). By John J. Clarke, M.A., F.S.S. London, Pitman & Sons, 1933. 851 pp. 12/6.

Evidence of the value of this book is seen in the fact that this is its eighth edition. The requirements of the university student and the local government administrator were undoubtedly constantly before the author, a lecturer on the law of housing and town planning at the University of Liverpool and a barrister-at-law. If Mr. Clarke considers his general reader one with as much interest

and immediate need for information as a municipal councillor, this book also meets his requirements. However, it is too technical to stimulate the interest of the ordinary person "in the duties and responsibilities of citizenship." This is merely to say that it is practically impossible to write a book for the student and specialist as well as for the general reader.

To the student who wishes a straightforward and comprehensive presentation of the general organization and problems of local government in Great Britain, the volume is useful. The material is arranged in traditional order. The relation of the state to local government is followed by the types of local authorities and the general powers of each; then are considered the various functions and with respect to them the powers of each type of local authority; finally, there is a section called special legislation dealing with London, Scottish local authorities, Ireland, war charities, social service, and suggestions to members of local authorities.

To one interested in a particular service performed by local authorities the consideration of that function by Mr. Clarke is a good introduction to more specialized study. A brief survey of the development of each function is given, the legislation dealing with it is clearly summarized and logically arranged, specific sections of parliamentary acts are cited, the decisions of the courts on cases in point are presented, and the reports and recommendations of any committees or commissions that have studied the subject are briefly outlined.

Those who are familiar with the previous editions will note that the chapter on Town Planning has been re-written including a discussion of the provisions of the Town and Country Planning Act of 1932, and the one chapter on Ireland has been replaced by two new chapters on Northern Ireland and the Irish Free State.

A full bibliography, classified according to subject, and a good index add to the book's usefulness.

FRANCES RYAN GLOYN

The Economic Basis of Politics. By Charles A. Beard. New York, Alfred A. Knopf, 1934. 99 pp. \$1.25.

A modern political scientist doubting the economic basis of politics must surely have his hands full these days when in all the branches of government—federal, state, and local—foundations have been shaken by economic upheaval and conflict. The publishers of Beard's challenging little book, first published in 1922, did well to bring it out again at this time when his earlier analysis has been so thoroughly reinforced by recent happenings and when the questions he raises, directly and indirectly, remain still to be answered in the American democracy.

As most readers of this magazine know, the book includes a fascinating review of the ideas of political philosophers as they bear upon the problem. There have been any number of fallacies in popular thinking on the subject of democracy in America. Beard raises sharply the fundamental contradiction between our political theory and our economic facts. The author's power to lend clarity and understanding in brief compass to the broad sweep of political-economic forces is seldom illustrated better than in this book.

HOWARD P. JONES

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The Auditing of Municipal Accounts in New York State. By William A. Lafferty, Jr. Albany, New York State Conference of Mayors and Other Municipal Officials, Bureau of Training and Research, 1933. 83 pp. \$1.00.

This comparatively short survey outlines the accounting procedure of New York State cities and first-class villages including the part the state plays in supervising municipal finances. It presents the case for the revenue system of accounts used in New York State, but perhaps somewhat overlooks the genuine benefits to be derived from recording operations on a cash basis—a procedure especially valuable in those municipalities which are unable to realize on their revenue in sufficient amount to prevent an excessive reliance on temporary financing.

It is significant that in this presentation of the uniform accounting system of New York State municipalities, the survey reports that "not only do local officials use discretion in

interpreting the law and in supplementing or going beyond it but they also commit infractions of it. Accounting systems in cities are not always in every detail what the laws or administrative requirements might lead one to expect." In view of this fact it is suggested that some sanctions be provided to increase compliance with state legal or administrative provisions.

The report contains numerous schedules of interest, discloses the diverse methods of financial administration pursued by local municipalities, and offers suggestions for improvement which are particularly pertinent at this time. While the scope of the report is too extensive to permit the inclusion of all the material which might be desired, it will be helpful to those interested in a general survey of the system under which New York State municipal finances are administered.

H. J. FREY

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Urban Society. By Noel P. Gist and L. A. Halbert. New York, Thomas Y. Crowell Company, 1933. 724 pp. \$3.50.

The city is but one of the two major modes of human habitation. Its influence today, however, cannot be judged either by the territory it comprises or the relative numbers of the population confined within its limits. The dominance of the city extends far beyond its territory. The modern western society is to an increasing extent an urban society. Its dominant features, its bewildering problems, its general temper may be traced largely to the phenomena of urbanization. The study of the city has, thus, profound implications for the understanding of the modern social world.

This volume is an important contribution to the subject. Its value lies, however, not in brilliant interpretation or fresh insights into the processes and problems of city life, nor yet in original research. *Urban Society* is a very comprehensive and thorough text book, bringing together a vast mass of material and covering a wide range of aspects of urban life.

An adequate treatment of the topics considered involves, of course, historical, economic, political, and psychological data. While introducing material from various fields, the authors have maintained quite consistently the

sociological focus and thus achieved a coherence in analysis. Their particular sociological focus is obviously strongly influenced by the so-called "Chicago School" of sociological thought. This is apparent in the emphasis upon the ecology of the city as well as in the treatment of the urban personality and social types.

The general approach of the authors may be further characterized by the emphasis upon urban processes rather than problems. The traditional preoccupation with the pathology of city life is inadequate, the authors maintain, because "it provides neither a sound basis for social reconstruction, nor the type of data necessary for scientific generalization." Of the twenty-three chapters of the book only two deal with urban maladjustments *per se*.

One of the major and most intricate requirements of a treatise on urban society is that it should weigh properly and intercorrelate the myriad factors which go into the making of the urban complex. Not all parts of this volume meet the requirement of integrated interpretation equally well. The listing of city maladjustments, for example, which appears to give to poverty an equal weight with suicide, illegitimacy, venereal diseases, prostitution, etc., is, in the opinion of the reviewer, an inadequate and atomistic treatment of city pathologies.

Notwithstanding the above criticism, its wide scope, its realistic and factual approach, and general organization make *Urban Society* an eminently useful contribution to the field of urban sociology.

MIRRA KOMAROVSKY

Barnard College

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Social Case Work, an Outline for Teaching. Edited by Mary Antoinette Cannon and Philip Klein. New York, Columbia University Press, 1933. 626 pp. \$5.00.

Eleven members of the faculty of the New York School of Social Work acted as a committee for the preparation of this volume which, designed primarily as an aid to the teaching of social work, with annotated case records and sample course syllabi, is not of interest to teachers in the field exclusively. Probably all social workers—in the broad use of the expression—will be concerned with the materials selected as representing vital prob-

lems and the methods of procedure involved in their solution. Indeed the tremendous growth of social work and widespread recognition of its value suggests that many a lay reader would find the book—much of which is devoted to the annotated case records—fascinating as well as illuminating.

*

The Irrepressible Conflict, Business vs. Finance. By David Cushman Coyle. New York, David Cushman Coyle, 1933. 45 pp. Sixty cents.

Mr. Coyle has recently published the fourth edition of what he describes as an essay in reorientation of thought. This interesting and thoroughly readable little book offers timely and epigrammatic analysis of current economic problems. The tenor of the solutions proposed may be judged from the following, "The crossroads of history will be the place where we do or do not develop means for keeping money out of Wall Street and making it travel up and down Main Street where it belongs."

E. T.

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The Municipal Markets of Buffalo, New York. By the Buffalo Municipal Research Bureau. Buffalo, Buffalo Municipal Research Bureau, Inc., 1934. 23 pp. Mimeo. One dollar.

This is a brief study of the five markets of Buffalo, with a presentation of the data necessary to the formulation of a program for handling them. With so many municipal projects of this type being questioned by those in search of possible economies, a detailed study of the market problem in one city should prove generally useful.

*

Statistical Procedure of Public Employment Offices. By Annabel M. Stewart and Bryce M. Stewart. New York, Russell Sage Foundation, 1933. 327 pp. \$2.50.

This is an analysis of practice used in the employment centers of various countries and a plan for standard procedure in the United States prepared for the committee on governmental labor statistics of the American Statistical Association. It is, of course, of limited interest to the general public, but to those

in any way concerned in employment or personnel work, the volume should be indispensable.

*

Proceedings of the 39th Convention of the American Society of Municipal Engineers. Compiled by C. W. S. Sammelman. St. Louis, American Society of Municipal Engineers, 1934. 351 pp. \$7.50.

The society, meeting in Milwaukee in September 1933, had its usual quota of addresses on important subjects in the field of municipal engineering. The text of the speeches and various statistical information about the organization—its membership, business, etc.—are presented in this volume. The subjects discussed at the regular sessions fall under the following major classifications: municipal legislation and finance, city planning, airports and landing fields, traffic control, street and traffic lighting, water works, sewerage and sanitation, refuse disposal and street cleaning, and municipal field engineering. The various regular and specification committee reports are also included.

*

Mental Hygiene in the Community. By Clara Bassett. New York, The Macmillan Company, 1934. 394 pp. \$3.50.

The author, consultant in psychiatric social work, division of community clinics of the National Committee for Mental Hygiene, believes, "The mental hygiene approach has proved even in its immature state so much more penetrating, stimulating and fruitful than any previous mode of attack on baffling individual and social problems that its further widespread utilization is thoroughly warranted . . . It is the part of wisdom to see what contribution can be made through the study, understanding and control of those inner psychological forces and motivations which are now thought to determine to a very large degree individual and social behavior." She therefore shows the relationship of mental hygiene to medicine, nursing, social service agencies, law, parental education, pre-school children, education and teacher training, the church and theological training, industry and recreation. She discusses psychiatric institutions and agencies and offers suggestions for determining the adequacy of a given community's facilities.



GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY ROBERT M. PAIGE

Secretary-Treasurer, G. R. A.

Governmental Research Association.—

In connection with the Western Conference on Government which met in Berkeley, California, March 28 to 30, the GRA held two very successful meetings and coöperated with the National Municipal League and the Municipal Finance Officers' Association in holding two joint meetings. At the first meeting representatives of various research organizations on the coast explained the policies and activities of their respective agencies and set forth briefly the projects which are engaging their attention at the present time.

Unofficial citizen research agencies were represented by L. D. Gifford, director of research for the California Taxpayers Association, William H. Nanry, director of the San Francisco Bureau of Governmental Research, Von T. Ellsworth, head of the Tax Research Department of the California Farm Bureau Federation, David Weeks of the Governmental Research Committee of the California Economic Research Council, and Francis H. Andrews, secretary of the City Club of Portland.

Official or governmentally-supported research bureaus were represented by C. F. Muncy of the Division of Research of the California State Department of Education, Rolland A. Vandegrift, director of the California State Department of Finance, and H. F. Scoville, director of the Los Angeles County Bureau of Efficiency.

In addition to these men, representatives of universities, state leagues of municipalities, and legislative reference bureaus described the governmental research programs of their respective organizations.

The second meeting of the GRA was devoted to a general discussion of coördination

of governmental research and coöperation among governmental research agencies on the coast. This meeting was held in the conference room of the Bureau of Public Administration.

Participating in the first Western Conference on Government were seven organizations of public officials—legislators, mayors, welfare officials, city managers, finance officers, housing officials, and personnel directors—and five other organizations whose members are deeply interested in and closely in touch with progressive developments in public administration. The success of the conference was due in no small measure to the careful planning of Professor Samuel C. May of the Bureau of Public Administration of the University of California, host to the conference.

*

Nebraska Federation of County Taxpayers Leagues.—The annual convention of the Federation was held in December at Grand Island. One of the important resolutions adopted called for study and support of legislative proposals to establish a unicameral legislature and a state administrative code, to eliminate or reduce the amount of property now tax exempt, and to provide for county consolidation. A bill providing the manager form of government for counties was supported by the taxpayers' group and passed last year. Efforts are now being made in many counties of the state to secure the adoption of this modern form of government. In Omaha the Association of Taxpayers is backing the campaign to establish manager government in Douglas County. Several addresses at the Federation's annual convention dealt with the advantages of the county manager type of organization.

Minnesota Taxpayers Association.—The annual meeting of the Association was held February 27 in Minneapolis. Fifty-seven counties sent delegates to the convention. The secretary reported 70,000 enrolled members in eighty of the eighty-seven counties in the state. H. J. Miller, manager of the Minneapolis Taxpayers Association and a member of the Executive Committee of the Governmental Research Association, addressed the meeting. Norman A. Borgen was reelected secretary of the organization.

The Association has prepared and distributed to all candidates for the state legislature a two-page questionnaire on taxation. Wherever possible this questionnaire will be presented to candidates by the local county taxpayers associations. Replies of candidates will be published in newspapers and made available to various county organizations.

Early in March the Association began the publication of a new "journal for taxpayers" to be called *Taxation*.

*

National Recreation Association.—The Association has just published the report of its activities for the year 1933. The field staff had a particularly active year. In addition to the customary requests for the staff's service several state relief administrations requested studies of recreation needs, facilities, and leadership in practically every city in their respective states. In many cities the Association's field staff arranged for the use of relief labor to develop new playgrounds and expand recreation programs for the unemployed. In all, the field staff gave personal service on request to 508 cities in 43 states.

*

Citizens Bureau of Milwaukee.—The rapid progress which the city of Milwaukee has made recently in perfecting its machinery for the administration of the real estate tax is favorably commented upon in the current Bureau bulletin. Not only are the improved methods resulting in fairer assessments and more efficient tax collection, but the administrative cost is being materially reduced. Between 1928 and 1934 the city's area increased 18 per cent, but the salary appropriation of the tax commissioner's department for 1934 is somewhat less than in 1928.

Tax assessors used to be loaded down with clerical work. Now mechanical equipment

has relieved them of most routine tasks. Land value maps have been published each year since 1931, much to the satisfaction of taxpayers who desire to compare their own and their neighbors' assessments. Electric accounting machines for tax billing and tax accounting purposes were installed in 1932. Formerly, 259 temporary employees were employed at tax-paying time, taxpayers waiting in long lines to pay their bills. After tax bills were paid five persons handled each transaction before receipts could be issued. Now only sixty-seven temporary employees are necessary, there is practically no waiting in line to pay tax bills, and upon request tax bills are mailed and paid by mail.

An important record in the Milwaukee assessor's office is the individual lot ledger begun in 1932. This ledger, which is made out by machine, provides a complete historical record of the tax status of each parcel of property in the city. All taxes levied, including regular taxes and special assessments, and all taxes paid for a period of eleven years can be noted at a glance. It is planned to use this lot ledger system to further advantage by recording the nature of the improvement for each parcel of property so that an analysis of delinquent property can be made rapidly, to include such factors as whether the land is vacant or improved and the type of building.

The Bureau takes pride in the efficiency of this department of the city government as it assisted in securing the necessary enabling legislation and for almost two years worked continuously in coöperation with the officials in planning and installing the present systems.

*

Bureau of Business Research of the University of Kentucky.—The Bureau has devoted considerable time in recent months to the administration of CWA projects. In the main these are federal projects conducted for the TVA. The most fruitful of the investigations, in terms of the program of the Bureau, have been those concerned with county and municipal finances and finance trends and those relating to the statutory provisions for local finance in Kentucky.

A number of investigations bearing directly on legislation proposed in the current session of the general assembly have been submitted by report to individual members of the legis-

lature or of the administration. In most cases reports have been submitted in the form of bills plus, in many cases, supplementary memoranda. In particular, several revenue bills have been drafted and memoranda provided by way of explanation. In some cases too the Bureau has served simply as a bill-drafting agency.

The Bureau has continued to advise with municipalities and, more frequently, counties, regarding budgets, record keeping, and public works projects. In some instances this has involved conference only, but in other cases investigations of fairly substantial scope have been necessary.

In the light of the diversions already described, the long-range research program of the Bureau has been slowed down. However, some work has continued to be done on certain of our sustained investigations. In particular it is hoped that certain sections of the analysis of the results of the tax reforms of 1917 and the investigation of gasoline tax administration and of municipal gasoline tax problems can be brought to completion during the spring or summer.

JAMES W. MARTIN

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Colorado Agricultural College.—An excellent survey of county government in Colorado has been completed by G. S. Klemmedson, associate professor of rural economics and sociology, and S. R. Heckart, research fellow. Colorado has 63 counties differing widely in population, area, and wealth. There are 41 counties which do not have a population of 10,000. There are also 41 counties which do not have a town of 2,500 population, and about 40 counties whose county seats are not developing into active trading centers. This study indicates that the consolidation of counties into not more than 30 might be expected to reduce and equalize the cost of county government and improve the quality of public services. The annual savings from consolidation should amount to at least \$750,000. A map is presented showing proposed consolidations which would reduce the number of counties to 22. The authors point out that the present trend towards state assumption of county functions, such as highway construction and maintenance, welfare and public health, indicates that the county is breaking down as a gov-

ernmental unit and will soon remain only a skeleton government. Preservation of the county depends upon a reorganization which will make the county a satisfactory and economical administrative unit. The difficulties and practical obstacles to county consolidation are not lightly dismissed in this report, however. In fact, the conclusion of the authors is that the assumption of certain functions by districts comprising several counties or by the state, and the adoption of modern methods and principles of public administration, seem to promise more relief to the taxpayer than outright county consolidation.

*

Toledo Commission of Publicity and Efficiency.—

The completion of one of the CWA projects organized by the Commission has revealed that in the past five years the citizens of Toledo have saved \$100,000 by publishing city ordinances, resolutions, legal notices, and legal advertisements in the *Toledo City Journal*, instead of in a regular newspaper which would have charged for these insertions at the regular legal rate. The *Toledo City Journal* is published each week by the Commission and, in addition to material which according to law must be printed for general distribution, the *Journal* reports the proceedings of the city council, the research work of the Commission, and devotes a large amount of space to editorial comment and to news of local government developments throughout the country. In comparing the cost of publishing legal notices in the *City Journal* and in a regular newspaper, the entire cost of the Commission of Publicity and Efficiency to the city was considered. Thus, all of the savings which the Commission has effected by its economy and efficiency surveys and recommendations can be said to be clear profit for the taxpayers. It would seem that other cities might consider the establishment of a city journal as a possible economy measure.

A report on a classification and compensation plan for employees in the municipal service of the city of Toledo has recently been completed and submitted to the city council. The report sets forth the reasons which made a personnel survey necessary and deals briefly with the nature of the classification and compensation plan proposed, and the administrative procedures which should be adopted to insure successful operation of the plan. The

remainder of the report presents the proposed salary schedules and the definitions of the positions in the proposed classification system.

It is estimated that the adoption of the recommendations of this report would result in a saving to the city of approximately \$450,000 a year.

*

Baltimore Commission on Governmental Efficiency and Economy.—The Commission's report dated February 15, and entitled "Baltimore's Financial Position at the Beginning of 1934 and Important Factors Responsible for it," contains an excellent account of the work of this unofficial governmental research agency since its organization in 1923. The report is a mimeographed document, nine pages in length and unspectacular in format, but it presents a story of solid accomplishment. It is worthy of careful study by research directors and research bureau supporters and should be brought to the particular attention of citizens in those larger cities of the country still without an independent governmental research agency.

*

Cincinnati Bureau of Governmental Research.—A comprehensive survey of the operation of the clerk of courts' office has been completed and a report has just been published.

It is estimated that as much as \$60,000 (more than one-third of the total cost of this office in 1933) could be saved annually by the adoption of the recommendations outlined in the report. Many of the recommended changes in procedure, however, could not be made without enabling state legislation.

Some specific recommendations of the survey are: merge the offices of the clerk of municipal and common pleas courts, thus permitting joint use of personnel and better office arrangement, reorganize the combined forces and install more efficient office practices, dispense with the court messengers of judges of the common pleas court, place all employees in the clerk of courts' office under civil service, readjust salaries to bring them into line with city salaries, attempt to secure the coöperation of attorneys in reducing the number of cases requiring a complete record, use the photostatic method of record reproduction more extensively, revise and simplify the record system and install better procedures for the collection of court costs assessed

against litigants, make the jury commission of the county courts the jury commission for the municipal court, establish a joint organization to handle the work of bailiff of the municipal court and the work of the sheriff's office on civil cases, and use service by mail instead of service by personal messenger (deputy sheriff or bailiff).

This survey is especially important in view of the fact that many counties in Ohio are considering a complete governmental reorganization under the county home rule amendment adopted last November. R. C. Atkinson, a member of the staff of the Ohio Institute and one of the experts who has been in close touch with the county reorganization movement in Ohio, collaborated with the regular staff of the Bureau in this survey and in the preparation of the report.

*

American Municipal Association.—The first issue of the bi-monthly news bulletin, *The United States Municipal News*, was published April 10, and distributed to members of the Association and of the United States Conference of Mayors, co-sponsors of the periodical. The purpose of this bulletin is to give spot news concerning the activities of American cities. The first issue summarizes interesting ordinances recently enacted by ten large cities, notes efforts being made in six or eight cities to develop new sources of revenue, and reports other municipal happenings under the heads: utilities, municipal law, relief, police, retrenchments.

Paul V. Betters, executive director of the American Municipal Association and secretary of the United States Conference of Mayors, is the editor of the new periodical.

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Arkansas Peoples' Conference on Government.—The annual public meeting of the Arkansas Peoples' Conference on Government has been announced for June 10-11, at Horse-shoe Plantation, near Hughes, Arkansas. The annual conference will receive research committee reports dealing with state and county governmental reorganization as well as educational administration. Four public sessions will be devoted to a discussion of the subjects which follow: public education in Arkansas, public welfare in Arkansas, county consolidation and the proposed initiative model salary act for county officials.—Kenneth O. Warner, University of Arkansas; Chairman, Peoples' Conference on Government.

County and Township Government

New department in
"Review" established
in recognition of
growing interest in
this field

EDITED BY PAUL W. WAGER

University of North Carolina

EDITOR'S NOTE: This represents the first appearance of a department in the REVIEW devoted exclusively to county and township government. The addition of this department is in recognition of the increasing importance of and growing interest in this field of government. The REVIEW has never neglected or overlooked the importance of rural local government but the very fact that the activities of city governments are more conspicuous and more publicized than those of counties and townships has probably caused the former to receive a disproportionate amount of space in the news. Another reason has been that the rural units of government have not had as alert reporters and press agents as the municipalities.

Within recent years, however, there has come to be a great deal of stirring within the counties and towns. Experiments are being made, reorganizations effected, functions reallocated; here perhaps is the most active sector in the governmental battlefield. Hence, there has arisen a demand from students and observers in this field for a channel of exchange information that is prompt and authentic. Those who are trying to effect improvements in Louisiana want to know what is being done in Virginia or Pennsylvania, and those working in Pennsylvania want to know what is happening in Michigan or Colorado. In response to this demand this new department is being established.

The usefulness of the department will depend of course on the correspondents from the several states. Already a representative from each of about twenty states has volunteered to serve for a year as correspondent for his state. While no one individual can keep fully abreast of developments in all the

counties of his state, he is ordinarily in a better position to do so than a nonresident. Moreover, it is hoped that all readers of the REVIEW will take it upon themselves to bring to the attention of their correspondent items which he might otherwise overlook. Finally, it is hoped that the department will soon have at least one correspondent in every state; therefore the names of further volunteers would be welcome.

The editors of the REVIEW wish to take this opportunity to thank those who contributed notes this month. We know that some of them went to considerable trouble and expense to secure and verify the items submitted. This effort is indeed appreciated.

PAUL W. WAGER

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Georgia—Benefits of County Consolidation.—The *Citizens News*, county political news weekly of Atlanta, Georgia, on February 23 published a short unsigned article giving the results of the merger of Campbell and Milton Counties with Fulton County. The merger was effected January 1, 1932. It pointed out that 87 per cent of the savings realized by residents of the Campbell and Milton districts were being borne by the taxpayers of the Fulton area. Nevertheless, it concluded that the merger was worth while, not only because it equalized tax burdens but because of the improved public service brought to the residents of the annexed counties.

For years prior to the merger the tax rate in Campbell County had been 17.5 mills. The rate in Milton County was reduced to 10 mills in 1931 but for years prior to that had been 13.7 mills. Now the taxpayers of the entire area pay the Fulton rate of 10.5

mills even after large reductions in property valuations have been made.

Great improvements have been made in the schools. Eight independent city school systems, each with its own board, superintendent, and other officials, have been consolidated into the county system. Sixteen schools in what was formerly Milton County have been reduced to six. Adequate transportation has been provided and attendance has increased. The office overhead of the Fulton County system has increased only slightly, two additional clerks having supplanted the officials under the old systems.

Roads throughout the area are being cared for by the Fulton County public works department and have been greatly improved. Police protection has been extended to the annexed areas, these districts now being served by policemen on regular beats, who are equipped with police radio sets. The citizens of what formerly constituted Campbell and Milton Counties are enjoying all the advantages provided by the Fulton County organization, with a 40 per cent reduction in taxes, and without adding appreciably to the burden of the Fulton County taxpayers.

J. T. ASKEW.

University of Georgia

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Louisiana—Report of Tax Reform Commission.—At its regular biennial session in 1932 the Louisiana legislature provided for the creation of the Louisiana Tax Reform Commission, consisting of five members from each house of the legislature. The information which it compiled, together with its recommendations, were submitted in the form of three reports, and the information and suggestions may in turn be classified or grouped into three parts. The first has to do with the relation of local government to the general tax problem. The second considers the present tax system and recommends certain changes. The third has to do with the reallocation of functions between the local and state governments.

The commission points out that the local governments of Louisiana are largely responsible for the heavy general property tax levied each year. It therefore recommends full and complete publicity of the financial condition of a local area prior to an election in which a special tax or a special bond

issue is to be voted upon. It also recommends the creation of a special tax board to pass upon the advisability of all proposed special taxes or bond issues. If the state board does not approve of the proposed special tax or bond issue, a two-thirds vote by the resident property-owning taxpayers would be required to adopt it.

In regard to the reallocation of functions, the commission advocates the setting up of a minimum program of public education to be maintained by all parishes, with the cost met from both state and local taxes. In other words, it proposes such an extension of the present system of state aid as will make possible equally efficient educational programs in all parishes regardless of their financial condition. Moreover, it recommends that the state assume the payment of all outstanding parish and road district bonds, both interest and principal. It recommends that the right of the parishes to levy a one cent per gallon gasoline tax be rescinded, and that the same be levied and collected by the state and returned to the parishes in proportion to their respective populations.

The survey reveals the close relationship existing between local government and the system of taxation now in effect, and how reform in either field must be based very largely upon reform in the other.

R. L. CARLETON

Louisiana State University

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Virginia—A County Judge Replaces Justices of the Peace.—A marked improvement in the administration of justice has been seen in those counties in Virginia where the trial justice system has been used. The general satisfaction with this system is reflected in the recent act of the 1934 general assembly which makes the adoption of a trial justice mandatory in each county (including all incorporated towns) or group of counties which may consolidate for this purpose. Under the terms of this act, the trial justice is appointed for a term of four years by the circuit court for the county. He has exclusive original jurisdiction for trial of all offenses against local laws and regulations. His jurisdiction extends to all misdemeanors arising under all laws of the Commonwealth. His jurisdiction in civil and criminal cases is the same, within limits of the territory for which

he is appointed, as that of civil and police justices.

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Abolition of Fee System.—The fee system as a means of compensating local officers was given a severe blow by the recent act of the Virginia assembly which places attorneys for the commonwealth, treasurers, and commissioners of the revenue (for both counties and cities) upon a salary basis. The act provides a minimum and a maximum salary for counties and cities according to population of each. The state tax commissioner has said that the abandoning of the fee system would result in a saving to the commonwealth of at least 10 per cent of the previous cost of this item.

JAMES E. PATE

William and Mary College

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Tennessee—War Declared on "Fee Grabbing".—Readers of the REVIEW will doubtless recall John W. Manning's article several years ago giving an exposé of the practices of "Injustices of the Peace". The evils incident to maintenance of justice-of-the-peace courts are universal in Tennessee, but the urban counties that include five or six major cities have been most acutely afflicted. In Hamilton County with its county seat, Chattanooga, a movement has been initiated by selection of a committee of one hundred from various civic organizations, to study and report upon ways and means of mitigating the evils, and to enlist legislative support for the necessary measures. At the initial meeting of the committee, Mr. George Fort Milton, president and editor of the *Chattanooga News*, said: "Whatever may be the difference of opinion within our community as to political parties and social philosophies, there is none whatever now that the time has come to put an end, promptly and decisively, to fee grabbing. Its only defenders are its practitioners, the men who coin their living out of the blood and sweat of the poor and unfortunate, and even these are silent and afraid."

Outright abolition of the justice of the peace is impossible under the present constitution; but the legislature has full power to limit the jurisdiction of all inferior courts. However in all too many counties, the legislative delegation is obligated to the magistrates

who compose a large part of the county "rings", and in the last analysis any proposed measure must run the gauntlet of both rural and urban legislators.

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Tennessee Valley Institute.—The University of Chattanooga this year begins an annual institute featuring the Tennessee Valley Authority experiment, as a successor to the Institute of Justice. In addition to addresses by TVA directors and others, seven round table discussions are organized. There are three round tables on county government in the south and Tennessee, led by Professor George W. Spicer of the University of Virginia and Professor Charles M. Kneier of the University of Illinois. Dr. H. A. Morgan, TVA director, will lead the round table on "Interdependence of Rural and Urban Population".

F. W. PRESCOTT

University of Chattanooga

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Kentucky—Cost of County Government to be Reduced.—The recent session of the Kentucky legislature which adjourned March 15, took several steps toward the reform of county government in the state and as a result of the legislation enacted, it is estimated that there will be a saving of some five million dollars annually in the cost of county government.

During the sixty-day session of the legislature some one hundred and fourteen bills were introduced dealing with the county. A large number of these, if passed, would have done serious damage to the cause of good county government. In the interests of efficiency and economy in the county, the Kentucky Tax Reduction Association sponsored nine bills designed to improve conditions in Kentucky counties. Of these nine bills, two were tabled and seven passed the lower house. Five of these passed the senate and subsequently were approved by the governor.

The five measures enacted into law which deal with the reorganization of the county may be summarized as follows:

1. County Budget Law. This act provides for a uniform budget for all counties and establishes a budget commission in each county composed of the county judge, the county attorney, and one citizen holding no other public office. The commission is

required to classify all expenditures of county funds in separate budget items, the total of which must not exceed anticipated revenues. Liability is fixed upon each member of the fiscal court (the Kentucky county board) voting for any expenditure in excess of the budgeted amount.

2. **County Inspection Law.** This act provides that the state inspector and examiner shall examine once a year the books, accounts, and official papers of all county officers receiving and disbursing county funds. At present the examiner is permitted to examine only the records pertaining to the collection and disbursement of state tax money handled by county officials. This new law should reveal, among other things, the exact amount of fees collected by the sheriff, county clerk, etc.

3. **Abolition of the Office of Jailer.** This act provides for the consolidation of the office of jailer with that of sheriff in all counties, effective at the expiration of the term of the jailers now in office. There have been one hundred and twenty counties in the state, each with its sheriff and its jailer. The saving possible under this act will be the difference in the compensation of a deputy sheriff as custodian of the jail, and the compensation of the present jailers who are entitled under the law to keep for themselves an amount up to \$5,000 a year.

4. **Abolition of the Trustees of the Jury Fund.** This act abolishes the trustees of the jury funds and the jury fund as well, and provides for the payment of jurors by the circuit court clerk.

5. **Fiscal Year Changed.** This act enables counties to operate more nearly on a cash basis by providing that the fiscal year shall begin July 1, after the bulk of tax money is paid in, instead of being the calendar year, as at present.

All in all, it appears that county government in Kentucky will be improved as a result of the five bills which have been added to the statute books. A great deal of the credit for the passage of this legislation is due the governor, the attorney-general, and the state inspector and examiner, as well as the Kentucky Tax Reduction Association.

JOHN W. MANNING

University of Kentucky

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Michigan—County Reorganization by Constitutional Initiative.—Petitions are now

being circulated in Michigan to place on the ballot next November a constitutional amendment for sweeping county reorganization. Following the defeat of comprehensive constitutional amendments for county reorganization in the Michigan House of Representatives in 1929 and in 1933, an attempt was made to pass a measure recognized as a compromise in a special session of the state legislature held early this year. This compromise would have left the county boards of supervisors as they are now organized with township and city representation. It was passed unanimously by the state senate, but again failed in the house. On the heels of this defeat, a state committee on county reorganization was created to put a constitutional amendment on the ballot next November by initiative petition. Following the successful experience of Ohio, Michigan now resorts for the first time to constitutional initiative for purposes of county reorganization.

In order to place the amendment on the ballot, approximately 170,000 signatures must be secured by July 1, 1934, and filed with the secretary of state. The amendment was drafted by a sub-committee which included Claude H. Stevens, Divie B. Duffield, Mrs. A. R. Pribil, J. M. Leonard, Thomas H. Reed, and Arthur W. Bromage. The campaign in behalf of the amendment will be conducted by a state-wide committee with William P. Lovett acting as secretary and Clarence V. Smazel as field agent.

The proposed amendment permits the elimination of existing county constitutional offices; allows counties, if they so desire, to continue under the present general law organization; and authorizes creation of new plans of government both by optional law and by county home rule. The amendment follows in general principle the recommendations of the committee on county government of the National Municipal League, although it provides for submission of plans of government directly to the people of a county by the county board or by initiative petition without the action of a charter commission.

ARTHUR W. BROMAGE

University of Michigan

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New York State.—Numerous bills dealing with county reorganization were considered by the legislative session just ended. For a detailed account turn to page 269.

Taxation and Government

Efforts to collect tax arrears continue on state and local fronts

EDITED BY WADE S. SMITH

Ohio Passes Tax Receivership Bill.—

On April 4 Governor George White signed House bill No. 28, adding Ohio to the list of states in which rents and other income from income-producing property which is delinquent in its taxes can be administered by the treasurer or collector to satisfy the unpaid taxes. Illinois and New Jersey already have similar acts, while a similar bill is pending in the New York legislature. Michigan and Iowa have existing laws under which municipal collectors have in some cases followed a similar procedure, while in a scattering of other localities rents are attached under more or less extra-legal arrangements.

The Ohio act differs from those of Illinois and New Jersey in several respects. The court (of common pleas) must approve the maintenance and other expenditures to be made on property in tax receivership. Property having an apparent rental of less than two thousand dollars a year is exempted from the provisions of the act, as of course are properties used exclusively as residences by the owners. Property on which payment is being made under the delinquent taxes installment collection act of March 1933 is also exempted. As in the other receivership laws, neither the prosecuting attorney nor the county treasurer are allowed additional compensation for services in connection with the receiverships.

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State-Wide Pay Your Taxes Campaign in Texas.—Faced with uncollected taxes amounting to \$120,000,000, Texans have for the past six months been doing considerably more than merely sit and wait for something to happen. Dallas, Houston, Beaumont, and other cities have staged intensive tax-collec-

tion drives with good results. Now the effort is being extended to include the whole state. Writes Judge James R. Curtis, of Longview:

"The Texas Junior Chamber of Commerce, consisting of chapters in seventeen representative cities of Texas, during the week of March 19 sponsored a state-wide 'Delinquent Tax Week.' An intensive educational drive was conducted through the medium of newspapers, radio, and local work. Each local Junior Chamber of Commerce provided speakers for civic and luncheon clubs.

"The campaign was purely educational and no one was personally solicited to pay their delinquent taxes. The campaign was centered on why delinquent taxes must be paid to avert chaos in local and state government. The slogan used was 'Collect—Don't Levy Additional Taxes!'

"An interesting side light on the campaign was that Governor Miriam A. Ferguson would not endorse the 'Delinquent Tax Week,' but stated she was in favor of a 'Prosperity Week.'"

Literature distributed during the campaign stressed the fact that the majority of tax delinquents actually could pay if they would make the effort, and urged conscientious taxpayers to agitate for payment in order to avoid future higher levies occasioned by the delinquencies. It recognized the need for reorganization of the revenue system, but emphasized that the immediate problem was to collect back taxes. *

Tax Limitation Urged in New York State.—A bill now pending¹ in the judiciary

¹As this goes to press we learn that the legislature adjourned without taking action on this measure.

committees of the senate and assembly of the New York legislature provides for a constitutional amendment limiting the tax on realty to 2 per cent of its true valuation in any single year. The bill also provides for the consolidation of all tax levies under central collecting agencies, which would distribute the taxes to the several units. Should the bill be passed it must be repassed at the next session of the legislature and then submitted to the voters. A present 2 per cent limitation applies only to cities of over 100,000 population and to the counties in which they are situated, and does not limit the total of overlapping levies.

Arguments advanced in support of the bill by its sponsors, the most active of which are the realty interests, are typical of those put forward in support of similar measures elsewhere. In a press statement attributed to a representative of the Erie County Economic Council of Buffalo it is said: "The amendment is not an experiment; it follows similar amendments adopted and in force to relieve similar conditions in Ohio, Michigan, Oklahoma, Washington, and West Virginia." Since the municipalities in each of these states are in distress caused to a large extent by tax limitation laws, the experiment would seem to border on the "noble" variety. It is also questionable whether the present high record of New York State municipalities, with not a single default, could have been maintained had they been forced to operate in the vicarious manner accompanying tax limit laws elsewhere.

The tax limit proposed would include debt service—an ironic note when it is considered that New York State banking laws prohibit after 1938 the investment by savings banks and other fiduciaries in municipal obligations not backed by unlimited taxing power.

Sponsors of the bill argue also that the limit will rectify the present inequalities of assessments throughout the state. Obviously state supervision of assessment procedure, with a state-controlled board of review, is the answer to this problem. Leaving aside the question as to what extent property "values" have been inflated by the realty interests themselves, with a consequent increase in the tax "burden", real estate groups might to better account throw their efforts into more constructive channels than the

sponsoring of "limitation" proposals. A scientific "valuation" of real estate by the realtors themselves would go far in helping secure the equality of assessment they desire.

*

Charlotte, N. C., Relists Personal Property.—Taxable but unlisted personal property valued at \$10,260,735 was uncovered in Mecklenburg County, from which revenues amounting to \$173,000 never before collectible will be available, as a result of the work of an accountant employed by the board of county commissioners. The city of Charlotte will receive about \$100,000 of the discovered revenue, of which some \$85,000 has been collected to date. The county has received \$63,000 and will get about \$10,000 more. The listing and collection work was done by Frederick C. Young of Charlotte.

There is little doubt that similar surveys in hundreds of other cities would result in great additions to the tax rolls. Probably no single item of tax procedure receives less attention from assessors and collectors than the personal property tax. The difficulty in listing such property, the difficulty in appraising it, and the frequent impossibility of collection, all conspire to make the personal property tax unworkable and have been instrumental in causing its condemnation by tax theorists and its abandonment in practice. But while the personalty tax remains law in many states, municipalities will undoubtedly be able to swell their revenues to a helpful extent by making a special effort to list and collect on the personal property base.

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Sumners Bill Passed by Congress.—

Just as this issue of the REVIEW was going to press, on May 1, the United States Senate passed, with several important changes, the Sumners bill amending the national bankruptcy act to permit insolvent cities to petition the courts for an adjustment with their creditors. At this writing the bill, which previously passed the House, is in the hands of the conference committee representing the House and the Senate. See the February 1934 REVIEW for further details. A full description of the bill as finally enacted will be contained in next month's issue.

*

Brief dispatches from the office of the attorney-general of the United States indicate that

Uncle Sam's threats to go after income tax defaulters are getting results. A large number are reported to have voluntarily agreed to settlement, and payment of the 50 per cent penalty provided by law.

*

The famed Oklahoma National Guard's most recent effort in behalf of the people of the state has been to protect "the homes of the people" from the ravages of county treasurers who attempt to sell property for delinquent taxes. A previous order by Governor Murray for counties to waive penalties on unpaid taxes is now being tested in the courts.

*

In contrast with the manner in which thousands of civil employees in American municipalities have faithfully performed their duties in the face of repeated salary reductions and payless-pay-days, witness the recent action of the civil servants in France, who responded to a pay cut by threatening "sabotage by disorganizing the government service."

*

"Federal funds should go into schools instead of useless post offices," declared Owen D. Young recently, in discussing the need for aid to local educational programs. "If necessary," he said, "we could have post offices in the rural school buildings."

*

Beer and liquor taxes collected during the first four months since the repeal of the eighteenth amendment, and since the legalizing of beer, have amounted to more than a quarter of a billion dollars, according to incomplete figures compiled by the Associated Press. More than half of the taxes went to the federal government, and there is every indication that municipalities received a much smaller revenue than they had anticipated.

*

The primitive urge of the tax striker has not yet been completely dissipated, if the recent disturbance in Pottsville, Pa., is any indication. Upwards of a thousand taxpayers, many of them miners, stormed the Schuylkill County court house, dragged out two of the county commissioners, and read the riot act on tax reduction. Unequal assessments were the cause. The county commissioners promised to hear a taxpayers' grievance committee, and the strikers were appeased.

Councilmen of the town of Cortlandt, New York, abolished the police department of three persons to save \$6,000 yearly in expenses. A traffic light will replace the highway patrol functions of the department.

*

Standardization of forms of legal opinions on municipal bonds has been suggested by the Investment Bankers Association, and will be developed by a committee of the organization. Though undertaken primarily for the benefit of bond purchasers, the standardized forms should prove of value also to municipal officials faced with the necessity of putting out long term obligations.

*

The Board of Supervisors of Imperial County, California, recently consolidated the office of assessor and tax collector, and of coroner and sheriff, presumably in the interests of economy. In the words of a well known radio performer, "Its only a beginning, folks, only a beginning."

*

A proposed municipal sales tax of 1 per cent was overwhelmingly defeated in a recent referendum in Birmingham, Alabama. A citizens' anti-sales tax committee led a vigorous fight against the proposed ordinance, which was sought by the city commission.

*

Under an opinion handed down by the attorney-general's office, penalties on Missouri back taxes for 1932 and prior years will be waived and these taxes collected on the same basis as the 1933 taxes, which became delinquent January 1. Accrued city, state, and school tax arrears total \$15,000,000, of which about \$7,000,000 is for 1933, it was said.

*

State and municipal financing during March totaled \$103,861,000, including \$7,817,000 of PWA loans, according to figures compiled by *The Bond Buyer*. This brings the total for the first quarter of 1934 to \$339,038,311, or about half as much again as for 1933.

*

Boston Pay Your Taxes Campaign.—

The recently elected mayor of Boston took office at the start of 1934 committed to an economy program which would cut city expenditures. His inaugural address discussed at length the fact "that the incoming administration will be faced with more trying and

difficult problems than any other in Boston's history," and added:

"The new administration assumes office under extremely critical conditions. As of the end of 1933, Boston's cash deficit or the shortage in the cash operations of the city, will probably be found to be in the vicinity of \$15,000,000, an all-time peak in the history of the city. Uncollected taxes may amount to about \$25,000,000, which is also far in excess of any previous year."

For weeks the mayor was immersed in budget conferences with department heads. Information has leaked into the news columns of many issues of the local newspapers of employees eliminated or to be eliminated from the pay-roll. Attacks have been frequent from various officials including an exchange of verbal bouquets with former Mayor Curley over the radio. Although the final budget has not yet been issued the mayor recently started efforts to stimulate the collection of delinquent taxes.

On March 29 Mayor Mansfield addressed the city assessors at city hall on the eve of their starting the 1934 assessment of property in Boston.

"I am going to organize a tax collector's drive here in this city. I propose in these plans of mine to divide the city into districts, maybe twenty-two or maybe fourty-four—I don't know. That is a matter of detail. I propose to have these big organizations familiar with drives and finances and all that lend me some of their best men to be captains of districts.

"We will have meetings, mass meetings. We will spend some money. We will advertise this drive in the cars, on the radio, and in the newspapers. We will start up some enthusiasm to get this money in that belongs to the city of Boston by showing the very people who are holding back that the only way to reduce their taxes is to pay them. I shall expect the support of the newspapers in the city and of every man, every woman, and every child in the city of the age of reason, who understands this problem. In this tax drive of the collector, Mr. Doherty, and of mine, there is not going to be any politics, and the men who are going to run it are going to be impervious to all political influence. There will be a complete search of the records, a complete search of tax delinquents, of current debtors. There are a great many people that are able to pay their taxes now that are holding back, in my opinion. I received a letter this morning from one of them saying that she was ready to pay her taxes, and had written the letter but had not received any reply, and when she did she would pay the taxes, or words to that effect."

One prominent local newspaper, in its com-

ments on this speech, mentioned the fact that the mayor had been in consultation with certain business representatives who had signified their willingness to coöperate in the tax drive.

The mayor took the first step in the campaign to stimulate tax collections on April 5. On that date he conferred at city hall with twenty-five of the largest taxpayers in the city. A representative of the real estate interests of Boston was asked to select the members of "a committee to determine the wisdom of a city-wide campaign to inspire the payment of over-due taxes."

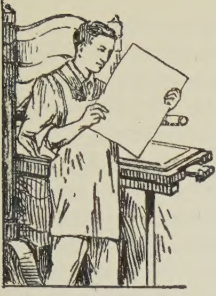
The large taxpayers called together at the meeting included representatives of various real estate trusts, the telephone company, Conveyancers Title Insurance and Mortgage Company, the Boston Consolidated Gas Company, two railroad lines and the local transit company, the United Shoe Machinery Corporation, a large private hospital, several important banks and the John Hancock Mutual Life Insurance Company. It is evident from this list that many of the most important local and regional financial interests participated in this preliminary discussion.

The person designated by the mayor to select the committee which will make recommendations as to any further effort stated that delinquency arises either from people having exhausted their financial resources or from delay pending the outcome of claims on assessed valuations before a state board of tax appeals which began operations in late 1930. The vice-president of a prominent insurance company expressed willingness to coöperate in a pay-your-taxes campaign but emphasized that city officials and not private citizens should head up such a drive.

Mr. Henry L. Shattuck, distinguished city councilman, treasurer of Harvard College, and a member of the National Municipal League council participated in the meeting at the mayor's office. He is quoted as criticizing the policy of the former mayor in connection with petitions for the abatements of assessed valuations. Equitable consideration was said to be denied to petitioners who had paid tax bills either in full or in part.

As is indicated above the ultimate fate of the mayor's plan to stimulate tax collections is still in doubt.

HERMAN C. LOEFFLER, Secretary
Boston Municipal Research Bureau



NOTES AND EVENTS

EDITED BY H. M. OLMSTED

New York City's Economy Bill.—The economy bill finally passed by the New York State legislature and signed by the governor can hardly be recognized as the same legislation so optimistically requested by Mayor La Guardia when he took office over three months ago. The legislators cried politics and played politics until the mayor was forced to make substantial concessions in order to obtain any power whatsoever to balance the budget and obtain federal funds for New York City projects.

The bill which became law does not mention the teachers, except to exclude them from its provisions. There is a separate law which requires the board of education to prescribe for the teachers the same furloughs outlined by the board of estimate for other city employees.

The most drastic concession which the mayor was forced to make was to protect the jobs in the five counties within New York City. These positions, many of them filled by organization politicians, are, to a large extent, unnecessary. The need for county reorganization in New York has been recognized for so long that there is no need to mention it here. Originally included in the unlimited powers sought by Mayor La Guardia, was the power to merge and consolidate county offices. In fact, while he was working for the bill, the mayor made public a long list of positions in the county offices which he proposed to abolish. Under the law as it was passed he has lost that power. The political parasites will retain their jobs and the savings in county offices will be restricted to a 10 per cent saving in each county office made by the head of the office, and fur-

loughs for employees receiving over twelve hundred dollars a year.

Less than an hour after the bill was made law by Governor Lehman in Albany, Mayor La Guardia called the board of estimate into action in New York and passed resolutions requiring furloughs for all city employees receiving more than twelve hundred dollars a year, ranging from one week to one month, according to compensation, with a corresponding decrease in salary of from 2 per cent to 8½ per cent.

On the following days the board met again and effected further salary cuts and abolished positions in the departments directly under the mayor. The cuts and abolitions under the bill take effect May 1, 1934. Many positions allowed in the 1934 budget have been abolished. Most of them have not been filled since the first of the year. In its emasculated form, it is clear that the economy bill will not provide sufficient revenue to make up the \$31,000,000 deficit in the budget. Action under its provisions will yield about half of the amount originally estimated.

To make up the remainder Mayor La Guardia is searching for new sources of revenue and has outlined a program of new taxes to be levied. The imposition of new tax levies and increased charges for city services is a disagreeable task for any administration, but something must be done along these lines to provide funds to run New York City's huge governmental machinery and to give the federal government the assurance of a balanced budget which it requires as a prerequisite for federal grants and loans.

In its closing hours the legislature also passed an act creating a charter commission

for New York City. The detailed story of this dramatic last-minute action will be found on page 268.

MARGARET I. TANZER

Citizens Union of New York

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Chicago Votes to Unify Park Boards.—

On April 10 the residents of Chicago's twenty-two park districts—three major and nineteen smaller systems—voted overwhelmingly to consolidate them under one appointive board. The nineteen small districts are now administered by a total of ninety-five elected trustees; two of the major districts are under boards named by the governor; and the other is under a board chosen by the circuit court. Through the consolidation various economies of administration are expected; furthermore, a coördinated recreational program for the city as a whole is made possible.

*

Cleveland Goes on Starvation Rations.—

Following the defeat in the state legislature of the refunding bill which would have legalized refunding instead of payment of maturing city bonds, a measure strongly advocated by Mayor Harry L. Davis of Cleveland, that city is adopting intensely drastic economies. Nevertheless, because of huge tax delinquencies, it is unable to meet bond principal requirements. Out of only \$7,260,000 expected tax revenues, \$4,000,000 goes for interest and sinking fund, leaving a residue for only the most meagre basis of municipal services. In the first week of April Mayor Davis is reported to have discharged seven hundred city employees, reduced by half the collection of garbage and rubbish, the cleaning of city property, and street lighting; cut by more than half the appropriations for the departments of building inspection, food and drug inspection, horticulture, and the municipal court; closed city bath houses except for two days a week; wiped out all appropriations for city beaches and playgrounds this summer; and there are many minor but deplorable reductions of other services. A deficiency bond issue of \$4,000,000 is to be voted on in May, which is not, however, expected to enable the city to resume anything like normal service.

*

City Government Studied in Rochester, Minnesota.—A group of some thirty-five busi-

ness and professional men in Rochester, Minn., has been studying the government of that city as a result of an informal organization meeting held last fall under the leadership of a small committee, several of whom have been associated with Chamber of Commerce activities. A series of twelve dinner meetings at semi-weekly intervals was held, each meeting taking up a specific phase of municipal activities, usually presented by the official in charge, followed by open forum discussion.

Future plans call for the formation of small committees, each charged with responsibility for direct research into a certain aspect of city management or the operation of a given city department. It is contemplated that the results of this research will form the basis for future meetings and discussions by the members and ultimately give rise to constructive suggestions for improvement in local city government.

The group has styled itself the Rochester Municipal Research Bureau. Its work, as outlined above, consists chiefly of lay rather than professional research. The secretary of the bureau is G. S. Schuster, whose office is at the Mayo Clinic.

*

City Bond Sinking Funds Should Be Trust Funds.—

The safeguarding of city bond sinking funds placed with banks as a general deposit requires that these funds should be designated and held as a trust by the bank. The special title, such as "Improvement Sinking Fund", without more, does not give these funds a prior claim in the event the bank is closed by legislative act or becomes insolvent.

The Illinois Supreme Court, December 22, 1933, decided against a bondholder claim for a preference under the following circumstances: (People vs State Bank, 188 North Eastern Rep. 546):

The city treasurer of R. called for payment of matured paving bonds issued by another municipality, W. In the State Bank of W. there was a deposit held as a sinking fund for payment of these bonds having the title "Special Paving Funds". A check was drawn against these funds to pay the bonds and a bank draft in the same amount was sent to the treasurer of R. in payment of the bonds; but before it could be presented for payment the State Bank of W. was in the

hands of the state receiver. Suit by R. for collection on this check from the state receiver was held not entitled to a preference over general depositors of the closed bank.

The inference is clear that had these sinking funds been held by the failed bank as trust funds, and had a draft been issued direct on these funds in favor of the bondholder, a prior claim against bank assets might have been allowed by the state bank receiver. Three and a half years passed before the litigation ended. Just what the bondholder received as a general creditor is not stated. For many bond investors the cost of litigation, the law's delays, and the commingling of sinking funds with a bank's general funds place a bond owner in a hopeless position. The distinction between a sinking fund held under a special title by a bank as a general depositor fund, and held as a trust fund by the bank by special contract, should be recognized by public officials and by all purchasers of municipal bonds. This applies particularly to small bond issues, which in the aggregate amount to several billion dollars, in the hands of widely scattered investors. Municipal securities having a questionable payment status, or not entitled to a priority in the event of failure of the bank holding the bond's sinking fund, are not desirable investments.

HORACE H. SEARS

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Secretary of Treasury Favors Elimination of Tax-exemption from New Governmental Securities.—Secretary of the Treasury Morgenthau has appeared before the judiciary committee of the House of Representatives to state that the treasury department favors as a permanent policy the elimination of the exemptions from federal income tax now accorded to the interest on federal, state and municipal securities, in so far as future issues of such securities are concerned. The secretary stated that he had been informed that a constitutional amendment would be required to enable the federal government to tax the interest on state and municipal securities. In his judgment, such an amendment should be drawn on a reciprocal basis permitting the states to tax the income from federal securities.

CORNELIA B. ROSE, JR.

New Purchasing Plan for New York City.—After an investigation and survey covering a period of months directed by Russell Forbes, Commissioner of Purchase for New York City under the new administration, a plan for unifying the purchase and storage of city supplies is being worked out. For years each department has bought and stored its own supplies, but under the proposed plan of centralized purchasing, substantial advantages are looked for in the form of lower prices, due to quantity purchasing, and a large reduction in the amount of goods necessary to be kept on hand. The plan also contemplates better inspection methods and elimination of political influence.

A survey conducted by E. A. Workman, Director of Stores, revealed \$4,000,000 worth of supplies stored in department warehouses, instead of which a small number of centrally located storehouses is planned, thereby cutting in two the quantities required to be kept on hand. There are now about a hundred and fifty city storehouses and storage yards and twenty-two repair shops, with a total annual pay-roll of nearly \$2,000,000, much of which is expected to be saved by the plan.

*

Cities Feel Higher Cost of Living While Meeting Increased Needs of Employees.—

Because of drastic salary slashes that have been made and the increased cost of living now being felt by employees, one-fifth of 210 municipalities reporting in a survey made by *Public Management*, journal of the International City Managers' Association, state that former pay cuts of their employees have been restored in whole or in part. Forty-six other cities anticipate taking similar action soon, thus emulating the federal government and industry as well as the cities referred to. Among the larger cities that have made restorations are Baltimore, Cincinnati, Detroit, Lynn, Nashville, New Haven, and Springfield, Mass. Only nine of the 210 cities have not reduced salaries; reductions in the others average 17 per cent.

While cities are thus attempting to meet the needs of their employees, they themselves are feeling the increased cost of living. A survey embracing 143 cities indicates that they are paying about 18 per cent more for

their supplies and materials now than they were nine months ago. The increased cost is largely ascribed to attempts of some manufacturers to take unfair advantage of the NRA price codes.

Cincinnati showed a 9 per cent increase in contracts of 1934 over the same contracts for last year; New Haven reported that lumber prices have advanced 25 per cent, school supplies 33 to 50 per cent, public works items about 25 per cent, and fire department items from 10 to 15 per cent; while Milwaukee has filed a complaint with the Consumers' Advisory Board because bids received on electric cable it wanted to purchase were 62 per cent higher than a year ago, all bids were identical, and manufacturers had insisted on f. o. b. delivery.

The increased cost of municipal supplies under reduced budgets and the difficulty of complying with some of the codes were explained to NRA officials recently by representatives of the five thousand cities included in the memberships of the United States Conference of Mayors and the American Municipal Association.

*

Municipal Training Schools for Officials, New York State.—The program of training schools for various groups of municipal officials under the auspices of the New York State Conference of Mayors and other Municipal Officials, which was interrupted by the depression but has been resumed, included a school for assessors on March 12, 13 and 14, in Albany. This was under the joint direction of the Mayors' Conference and the New York State Department of Taxation and Finance, and was attended by eighty-two assessors from forty-five cities and villages.

On April 16, 17 and 18, the Mayors' Conference and the International Association of Public Works Officials also held a training school for public works officials of cities and villages at Troy, New York. The subjects taught at the school included organization and administration of a public works department, preparation of a public works budget and accounting for expenditures, practical application of a public works accounting system, street lighting, purchase of supplies, safety in operations, organization, operation, maintenance and control of municipal motor equip-

ment, workmen's compensation, collection and disposal of municipal refuse, construction and maintenance of sewers, sewage disposal, street cleaning and snow removal, construction and maintenance of pavements, maintenance of unimproved streets, and organization and administration of a water bureau.

*

New York Legislature Approves Governor's Utility Bills.—After an initial defeat in the New York State senate, the two key measures in Governor Lehman's public utility legislative program passed both the senate and the assembly, the latter on April 17. One bill gives cities the right to own and operate municipal electric light and power systems. The other enables the state public service commission to assess, within limits, upon utility companies the cost of rate investigations, and establishes a revolving fund to facilitate this purpose. Passage of the bills was aided by the disclosure of various letters between one of the senators, formerly chairman of the public service committee, and one of the large utility companies, including a letter expressing his hope that his services to the company had been satisfactory in connection with the killing in committee of various bills adverse to utility interests.

*

Excess Condemnation Proposed for Washington, D. C.—Under a bill (S.2904) introduced at Washington by Senator William H. King, chairman of the senate committee on the District of Columbia, the District authorities would be authorized to acquire by condemnation or otherwise land or easements in excess of what is actually needed, for public uses authorized by Congress, "in order to protect public works and improvements and their environs, and to preserve the view, appearance, light, air, and usefulness of such public works and improvements, or to prevent inequities or hardship to adjacent property owners." Upon completion of an improvement the excess land may be sold, subject to restriction if desired, or retained for use in the public interest. Although the right of excess or incidental condemnation, or "marginal eminent domain", exists in various jurisdictions, it has not been available in the city of Washington, where it would seem to be of special value and importance.